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NEWS SUMMARY

GENERAL

Amin's troops 'trapped in battle'

'anzanian-backed forces have ncircled President Idi Amin's rces in Uganda, and cut them f from the capital of Kampala, :cording to Ugandan exiles.

They said urban guerrillas ere hitting targets in the ipital and elsewhere. The ncirclement followed a tactical treat by anti-Amin forces wards Masaka, which they iptured earlier in the fighting.

'UC in hospital inion talks

ie TUC has stepped into the ealth service pay dispute in bid to solve differences tween the National Union of iblic Employees and the other iions involved.

NUPE has rejected the vernment's latest 9 per cent fer with a comparability study d £1 on account, and plans step up action in hospital rvices. The other unions have cepted the offer. Page 9

.S. air threat

ie U.S. may be planning to te a much tougher attitude vards European governments increased air services, eaper air fares and greater npetition with U.S. airlines, it cannot get its own way on il aviation affairs. Back Page

CAS steps in

C management and Associa- n of Broadcasting Staff ials went to the Advisory, nciliation and Arbitration vice last night for talks on dispute which has hit all side broadcasts and record- of some other programmes. e dispute is over the dis- ssal of a man for an alleged ault.

'ar declared

ı Afghan Muslim rebel group s declared holy war on the cialist regime of Nur ohammed Taraki, amid re- rts of further clashes in the untry.

irport girls ill

: girls working at Heathrow imal quarantine centre have spected parrots' disease, lieved to have been caught om a consignment of Amazon een parrots. The girls are in danger.

unaway train

train ploughed into the back an empty diesel engine at mph in Sheffield when the akes failed. Passengers caped serious injury after the ain driver herded them to the ar carriage.

lozambique raid

ıodesian aircraft attacked triotic Front targets deep side Southern Mozambique — e fifth cross-border attack in ree weeks.

lark appeal

ormer Metropolitan Police mmissioner Sir Robert Mark unched a £250,000 charity peal for the homeless with a rsonal £50,000 donation from television tyre commercial.

riefly . . .

levision actor John Bindon, . was committed for trial at e Old Bailey, accused of urdering John Darke in a ndon club.

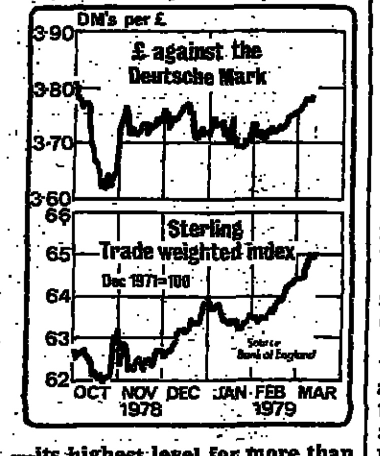
ountaineering team led by erest conqueror Doug Scott t London to attempt the orld's third highest peak in e Himalayas.

obert Relf, in jail for inciting cial hatred, can continue his inger strike until he dies, ord Justice Lawton said.

BUSINESS

£ makes headway; Equities up 3.9

● STERLING made progress against most major currencies in the foreign exchange market, and its trade weighted index, which rose at one stage to 65.1



—its highest level for more than a year—closed 0.1 up at 65.0. The pound rose 25 points to $2.0410. Back Page

● EQUITIES advanced further on institutional buying and the FT ordinary index closed 3.9 up at 519.3. Official markings were the highest for over 18 months.

● GILTS were marked-down in early trade, but closed above their worst with falls of ½. The Government Securities index fell 0.17 to 72.83.

● COPPER prices fell sharply as a result of heavy selling, with cash wirebars £34 down at £937.5 a tonne. Page 39.

● GOLD lost $2 to $238¾ in dull London trading.

● WALL STREET was 3.64 down at 839.22 just before the close.

● RETAIL SALES in February rose by 1½ per cent compared with January, recovering sharply to the level of the second half of last year. The recovery is interpreted as an encouraging indicator of the underlying level of trade for the first half of this year. Back Page

● FIRST NATIONAL Bank of Chicago has increased its prime rate by a ¼ of a point to 11¾ per cent. Page 5

● ZAIRE is close to concluding a $150m standby loan and an urgently-needed stabilisation package with the IMF. Western bankers are confident that Zaire's President Mobutu will be forced to accept their tough conditions for the finance because of the parlous state of his country's economy. Back Page

● STANDARD OIL OHIO, BP's American affiliate, may drop its $1bn project to pipe Alaskan oil from California to the central and eastern U.S. because of environmental and bureaucratic obstacles.

COMPANIES

● ROLLS-ROYCE Motors Holdings increased pre-tax profits by 33 per cent from £11m to £14.6m in 1978 on turnover 25 per cent up at £152.2m. Page 31 and Lex

● ALGINATE INDUSTRIES, the UK seaweed processor, is having bid talks with FMC Corporation, the third largest processor in the U.S. A £21m bid for Alginate from Merck lapsed when it was referred to the Monopolies Commission. Back Page

● NORCROS has won its battle for control of H and R Johnson-Richards Tiles, with the announcement that its £33.6m offer had gone unconditional. Back Page

● LUCAS motor components group's legal battle over take-over plans for Ducellier was helped by the Paris Commercial Tribunal's quashing of Ferodo's moves to prevent Lucas assuming control. Page 33

Carter to see Sadat today after weekend talks with Begin

BY JUREK MARTIN AND DAVID LENNON IN JERUSALEM

President Carter will fly to Cairo today as a possible climax to his Middle East peace mission. He will confer with President Anwar Sadat at Cairo airport and then fly back to Washington.

The President extended his stay in Israel until this morning when he will have breakfast with Mr. Menahem Begin, the Israeli Prime Minister. Mr. Carter has had three days of protracted and arduous negotiations with Mr. Begin and last night their outcome still remained in doubt.

Mr. Begin emerged in the evening from yet another Israeli Cabinet meeting to declare that "great progress" had been made in solving outstanding problems.

But once again he hinted that several problems still remained outstanding.

Mr. Begin promised continuous negotiations until an agreement was reached but said that this round of talks was at an end, that he was going to rest, and that it was up to the Americans to decide what to do next.

It is likely that Mr. Cyrus Vance, the U.S. Secretary of State, who was due to have further discussions with his Israeli counterpart, Mr. Moshe Dayan later last night, would also fly to Egypt. The U.S. side has been in contact with Cairo but no word is available on the Egyptian response.

The Israeli Cabinet had apprised President Carter of its all-night deliberations early in the morning. Yet it was clear that the Israeli position did not satisfy the U.S.

It appeared that progress had been made towards a timetable for self-rule for Palestinian Arabs living in Gaza, although disagreement persisted on what role Egypt should play in the area.

The timing of the establishment of full diplomatic relations was still a sticking point. So was the Israeli demand for Egypt to sell oil from Sinai after a withdrawal. Details of both the progress made and the obstacles outstanding however, were still kept closely guarded.

The Israeli Cabinet went back into session in the afternoon. Later, its defence committee was joined by Mr. Vance.

Mr. Carter delivered a moving and eloquent address to a hectic session of the Knesset (Parliament)—perhaps one of the finest speeches he has given in a long time—before once again putting the American arguments to the House's foreign and defence committee.

In his speech to the Knesset, President Carter gave vivid voice to intense and emotional negotiations that have clearly left all the participants exhausted.

"For the last 24 hours," he began. "I have been writing different versions of this speech. I have discarded the speech of despair. I have discarded the speech of glad tidings and celebration. I have decided to deliver the speech of concern and caution and hope."

He went on: "The people of the two nations are ready now for peace. The leaders have not yet proven that they are also

Continued on Back Page

Palestinian threats Page 4 ● Carter's foreign and domestic policies Page 28

Emergency debate on French unemployment

BY DAVID WHITE IN PARIS

THE FRENCH National Assembly will meet in an emergency session tomorrow to debate the Government's employment policy, a controversy heightened by recent outbreaks of violence in crisis-hit steelmaking regions.

The emergency session—the first since the war—was called yesterday by President Valery Giscard d'Estaing in response to demands from a majority of MPs.

A Gaullist proposal to set up two special commissions of inquiry will be debated. The first would examine employment, the success or otherwise of Government measures to reduce the number of jobless (running at 1.35m according to official figures), and the impact of EEC policies.

A second is being proposed to look into the dissemination of information by the Government.

The demands for a special session came from all three of the main political groups other than the President's own UDF centre party. The debate, expected to last until the weekend, coincides with campaigns for cantonal elections, the first round of which takes place on Sunday.

The main question is how far M. Giscard's coalition partners, the RPR Gaullists, are prepared to go in their attacks on the Government's economic and European policies. Of the Assembly's 155 RPR members, 144 endorsed the call for an emergency debate, alongside virtually all the Communists and Socialists.

M. Jacques Chirac, the Gaullist leader, has, however, ruled out pressing a censure motion against the Government. The Communists and Socialists plan to table censure motions but have failed to agree on a common platform.

In agreeing to the demands of the 315 MPs who backed the call for a special debate—well above the necessary straight majority of 246—the President expressed strong reservations about the move and its timing.

It would be the first time in post-war French history, he said in his reply to M. Jacques Chaban-Delmas, the Speaker, that the National Assembly had met during an election campaign.

The debate also comes at an important time for the opposition parties in so far as both the Socialists and the Communists are preparing for congresses, the former — a key one in which the Socialist leadership may be at stake — in April and the latter in May.

Negotiations between the unions and the main steel companies, which were brought under effective state control last year, are entering a crucial stage. M. Raymond Barre, the Prime Minister, reiterated at the weekend that the Government would not change its mind about its plans to re-structure the steel industry.

New protest at Banking Bill

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

A GROUP of 25 foreign banks with representative offices in London is planning a last-minute campaign to alter one of the main provisions of the Banking Bill, now going through Parliament. Jammal Trust Bank one of the largest banks in the Lebanon and the main organiser of the group, claims that the Bill as presently drafted discriminates against banks from outside the EEC.

The banks concerned are worried about a provision in the Bill which restricts the use of names including the word "bank" to institutions recognised as such under the new proposals. Other concerns will fall into the second-tier category of "licenced deposit-taking institutions."

Under the provisions of the Bill, those second-tier concerns with head offices in the EEC will be permitted to continue with titles including the word "bank," provided the UK name is followed by the description: "Licensed Deposit-Taker." But non-EEC institutions will have to eliminate "bank" from their titles completely.

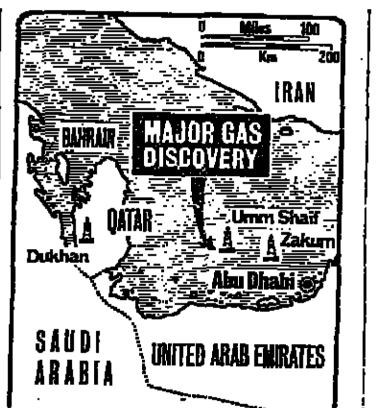
All 25 of the protesting foreign banks come from outside the EEC, and most are based in the developing countries. None of them is authorised under the Exchange Control Act—the rough guide quoted to indicate which banks will obtain recognised bank status when the Bill becomes law.

The banks will meet today at the London office of Jammal Trust Bank to decide on tactics. They are conscious of the need to move quickly since the Banking Bill, which is due to go into its committee stage in the Lords next Tuesday, is now on its final stages through Parliament.

The basis of the bank's case is that the Bill discriminates against non-EEC banks. They want it amended to allow them to continue to operate under their domestic names in London.

Mr. Paul Cotton, London manager of Jammal Trust, says that all the banks in the group have adequate capital under the requirements of the Bill. "They all provide a full range of banking services in their home country and are authorised as banks by their central banks."

The group also includes: Allied Bank of Pakistan, Banco de Jerez, Bank of Providence, Bank of Oman, Bank of Tehran, Bank Pars, Banque du Rhone et de la Tamise, Banque Occidetale pour l'Industries et le Commerce (Suisse), Commercial Bank of Korea, Commercial Bank of Malawi, Cyprus Popular Bank, Habib Bank AG Zurich, Korea First Bank, Muslim Commercial Bank, New Nigeria Bank, Overseas Trust Bank, Punjab and Sind Bank, Punjab National Bank, Somali Bank, Syndicate Bank, Zambia National Commercial Bank.



Big gas find off Abu Dhabi

By Kevin Done in Abu Dhabi

A MAJOR new gas field which could prove one of the world's largest has been found in the Gulf off the coast of Abu Dhabi.

The deep exploration well is not yet complete but it is understood that it has encountered a gas reservoir spanning a depth of several hundred feet.

Dr. Mahmoud Hamra-Krouha, general manager of the Abu Dhabi National Oil company, said yestehday that the find was "very encouraging."

The well is being drilled to a total depth of 15,200 feet, and has 500 feet to go before it can be fully tested.

Drilling at these depths, where extremely high pressures are encountered, must be done very slowly. It could be some time before the exact results of the tests are known.

The discovery is not associated with an oil field. The reservoir is thought to consist mainly of methane and ethane—"lean" gas that could be processed and exported in the form of Liquified Natural Gas.

The main offshore operating company in Abu Dhabi, Adma-OPCO is doing the drilling. Abu Dhabi National Oil has a 60 per cent share in this company, the rest being held by British Petroleum (14⅔ per cent) Compagnie Crancaise des Petroles—Total (13⅓ per cent) and Japan Oil Development (12 per cent).

No sharing

But the Western oil companies can share only in crude oil finds. Under local law the title to all gas finds, whether on land and onshore, lies 100 per cent with the Abu Dhabi National Oil company.

This latest exploration well goes through the Umm Shaif crude oil reservoir to reach the deep Khuff rock formation. This level has already been shown to contain gas in Qatar, the neighbouring emirate, about 120 miles to the west of the Umm Shaif field.

In Qatar the khuff formation gas field, discovered below the onshore Dukhan oil field, could

Continued on Back Page

Callaghan threat to EEC budget

BY GUY DE JONQUIERES IN PARIS

MR. JAMES CALLAGHAN warned yesterday that Britain might refuse to pay its full EEC budget contribution after 1981 unless the Community had embarked by then on a major reform of its policies and spending.

He told other EEC leaders at their Paris summit that the budget — more than three-quarters of which is devoted to financing agriculture — no longer corresponded to Europe's most pressing economic and social needs and required fundamental revision.

Spending on agriculture would have to be cut through a price freeze lasting several years if necessary, to eradicate surpluses, while more EEC money should be spent instead on restructuring industry, creating new employment and renovating urban and industrial areas in decline.

He also warned that the UK was deeply dissatisfied with the growth of its net budget payment, estimated at almost £900m this year. The prospect that it would become the largest net contributor by next year was quite unacceptable and the EEC would have to face up to this problem urgently.

Mr. Callaghan, in effect, gave the Community about three years to meet his demands by insisting that progress be made towards fulfilling them by the time the present EEC budget funding arrangements are exhausted. This is expected in 1981, and if the budget is to grow, EEC governments will then have to approve an increase in the proportion of their national value-added tax payments which they contribute to Brussels.

Mr. Callaghan said: "When this happens, certain member states will be unwilling to increase their contributions to finance wasteful expenditure while others will have institutional difficulty in increasing their contribution. We do not have much time to put the matter right."

His reference to institutional problems was apparently aimed primarily at Germany, where officials have already suggested that it could be legally and politically difficult to win approval for an increase in the EEC's share of VAT collections above the present 1 per cent.

Mr. Callaghan's speech, which constitutes by far the strongest and most authoritative statement of grievances yet made publicly by any British minister about the EEC, evoked predictable mixed reactions.

Only the Italian Government appeared broadly in agreement with the British demand, while the official French response was cool. Several delegations argued that Mr. Callaghan's remarks should be regarded mainly as pre-election grandstanding.

Mr. Callaghan said he did not expect any immediate decision to be taken and was prepared to wait until the EEC summit in Strasbourg in June for a thorough discussion of the issues he had raised.

But it seemed likely that EEC leaders would spend a good deal of this week's talks debating the future of the CAP. This is due to be debated at length today with a view to issuing a joint statement by all nine leaders.

Mr. Callaghan was expected to renew British demands for a price freeze not only this year but every year until agricultural surpluses were eliminated. At one point yesterday he hinted that we would favour an actual price cut, though he did not press the point.

He conceded that the EEC could not settle its budget problems outside the framework of its prospective enlargement to include Greece, Portugal and Spain.

But he emphasised that the thrust of future EEC spending must essentially be in areas of interest to Northern Europe and particularly to the UK. It should concentrate on the redevelopment of derelict industrial land and on the restructuring hard-hit sectors such as steel and shipbuilding.

To do this, the Community would have to substantially increase the grants made available through the regional and social funds.

Mr. Callaghan focused largely on the need for changes in the pattern of EEC spending, rather than on ways in which the structure of national budgetary contributions could be reformed.

EMS starts today

On the eve of the start today of the European Monetary System—involving all members of the Common Market apart from Britain—the EEC Commission warned that the system cannot work unless national inflation rates are brought closer into line.

Back Page and Lex

£ in New York

—	Mar. 9	Previous
Spot	$2.0375-0385	$2.0345-0355
1 month	0.43-0.38 dis	0.42-0.36 dis
3 months	0.74-0.69 dis	0.81-0.76 dis
12 months	1.95-1.75 dis	2.35-2.20 dis

HIEF PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated)

RISES:

ınding 5½% 82-84	£87½	+ ¼
ːatson Clark	227	+ 18
ːrtams	27	+ 6
ɔoth Intl.	66	+ 7
ɔates Bros.	81	+ 5
ɹejan	165	+ 8
ɨwards (L. C.)	42	+ 6
ɔrminster	145	+ 15
US A	380	+ 12
ouse of Fraser	160	+ 7
ɨtial Services	118	+ 11
ımaica Sugar	17½	+ 5½
ɔhnson - Richards Tiles	149	+ 19
ennedy Smale	60	+ 12
itchen (R.) Taylor	198	+ 28
onrho	76	+ 8
ookers	68xd	+ 6½
FI Furniture	390	+ 15
Parker Timber	143	+ 11
Pentos	142	+ 12
Rugby Prtlnd. Cmnt.	80	+ 5
Rush & Tomkins	130	+ 8
Samuel Props.	122	+ 5
Silentnight	120	+ 12
Stanley (A. G.)	248	+ 13
Status Discount	82xc	+ 11½
Travis & Arnold	206	+ 15
Warren Plants	149	+ 9
Anglo-Amer. Coal	900	+ 90
Bracken	111	+ 7
Charter Cons.	167	+ 6
Haoma Gold	40	+ 5
President Brand	£10	+ ⅝
Randfontein	£31⅜	+ 1⅝
Samantha Expln.	48	+ 4
Selection Trust	540	+ 20
Southvaal	578	+ 28
Venterspost	226	+ 14

FALLS:

Excheqr. 12% 1998	£101⅞	− ½
Mowat (Wm.)	42	− 6

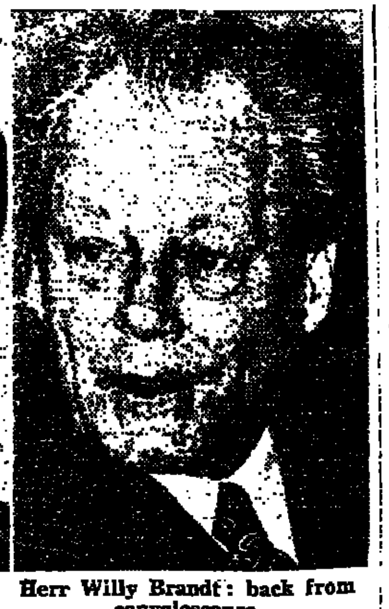
CONTENTS

For latest Share Index 'phone 01-246 8026

Herr Herbert Wehner: style in question.

Herr Hans-Dietrich Genscher: heart problems recur.

Herr Hans Koschnick: back to the provinces.



Herr Willy Brandt: back from convalescence.

Bonn parties face leader problems

BY JONATHAN CARR IN BONN

A SERIES of leadership problems threatens to weaken the West German ruling coalition parties—with less than one week to go to important provincial elections.

Until recently, the Social Democrats (SPD), the senior coalition partner, had been expecting to strengthen their position in West Berlin

At the last Berlin elections, the SPD gained 42.6 per cent of the vote and, as in Bonn, formed a governing alliance with the liberal Free Democrats (FDP).

Next Sunday also see elections in the Rhineland Palatinate—an opposition Christian Democrat (CDU) stronghold, but one where the SPD has been conducting a vigorous campaign under Herr Klaus von Dohnanyi, its local candidate.

But only now has Herr Willy Brandt, SPD chairman been able to take up his duties again after a long convalescence, though he has made it clear he will not be able to be as active politically as formerly.

Further, it is feared that Herr Brandt's intention — publicly announced last week — to divorce his wife after more than 30 years of marriage, may reflect against the SPD at the polls.

Many in the SPD endorse Herr Brandt's point that politicians must be able to have a private life, but believe that the electoral battle in Berlin—where Herr Brandt used to be Governing Mayor — may now have become still harder.

Concern also exists within the SPD over the impact of recent remarks by Herr Herbert Wehner, 72, the SPD's parliamentary Floorleader, on disarmament questions and relations with the Soviet Union.

Even those who share Herr Wehner's general line that the West should be more active in pressing for détente with the East fear that the Floorleader's style is clearly open to misinterpretation by Bonn's Atlantic alliance allies.

The question is raised whether a younger man with a different presentation might not prove more effective.

Almost coinciding with all this has been the surprise announcement by Herr Hans Koschnick, a relatively young and active deputy chairman of the SPD, that he plans to forsake his Bonn post to return to provincial politics.

The FDP, too, has its difficulties. Herr Hans-Dietrich Genscher, Foreign Minister and party chairman, has just left hospital after a recurrence of heart irregularity, and is to take an extended rest at home.

His place at last week's parliamentary defence debate was taken by Count Otto Lambsdorff—widely thought to be the obvious replacement should Herr Genscher have to step down. But there is no clear candidate for Count Lambsdorff's job as Economics Minister.

Officially, the FDP insists there is no question of Herr Genscher giving up. But he has been having health trouble for many months now and his double job as Minister and Chairman is one of the most taxing in Bonn.

All these developments serve to underline the ever more crucial role falling to Chancellor Helmut Schmidt — both in the SPD as a deputy chairman and as leader of a Cabinet in which broad experience has already become scarce and may become still more so.

Danish labour meeting ends in deadlock

By Hilary Barnes in Copenhagen

THE PROSPECT of a serious labour conflict drew nearer here yesterday after another fruitless round of talks between the official labour mediator, the unions and the Employers Federation.

The mediator has already used his powers to postpone a conflict once, and is expected to do so again, bringing the likely date on which the conflict could break out, to March 29.

The employers have threatened to lock out about 250,000 industrial workers, and the unions have threatened to bring out 50,000 workers in the transport, power and dock industries.

The Social Democratic-Liberal coalition Government spent the weekend discussing a political initiative to avert a strike,

Last week, Mr. Anker Joergensen, the Prime Minister, was quoted as saying that if the coalition could not agree on a plan, he would call a quick election.

The situation is expected to remain unclear until the Prime Minister returns from the EEC summit meeting in Paris.

Senator clubbed

Newly-elected Spanish Senator Miguel Castell filed formal charges yesterday accusing riot police of clubbing him near the site of a proposed demonstration, AP reports from Madrid.

No Irish move against sterling

BY STEWART DALBY IN DUBLIN

IRELAND plans not to devalue its pound (punt) against sterling in advance of the introduction of the European monetary system (EMS) which Ireland has joined, but Britain has not. This was made clear by Dr. Martin O'Donoghue, Minister for Economic Planning and Development.

Ireland's intention, he said, is that initially, at least, the parity link is to be maintained. But technically, the Republic has broken the 150-year-old link with sterling and has had exchange controls against sterling since last December 18.

The Minister refused to be drawn on how long the parity is expected to last once the EMS gets properly under way.

Suggestions that Ireland would devalue against sterling to improve export competitiveness in Britain (some 48.9 per cent of exports still go to Britain) led to a rush out of Irish Government stocks last Friday. In the last quarter of 1978 an estimated £200m worth of funds, largely from Britain, were pumped into the Irish gilt edged market in the hope of foreign exchange gains and a possible dollar premium windfall should the Irish pound appreciate against sterling or the Bank of England impose exchange controls against Ireland.

In the event, a delayed start for the EMS meant that the Irish gilt market went into a hiatus. But last Friday saw the largest sales of gilts in months. It is estimated that some £30m worth of Government stocks were off-loaded in one day.

Following Mr. O'Donoghue's statement, however, the markets yesterday were very quiet.

Mr. Jack Lynch, the Prime Minister, will reiterate the need for wage restraint when he returns from the Paris summit, as an important conditions of the EMS. But he is likely to face a belligerent response from trade union leaders who are expected to meet him later this week in the first top level round of talks to get some form of agreement to replace the nearly-expired national wage pact.

Officials of the Irish Transport and General Workers' Union, the largest in the country, led a massive march through Dublin last Sunday to protest against the system of PAYE taxation. About 50,000 PAYE taxpayers marched through Dublin streets at the week-end demanding to know why they pay rates of tax ranging from 25 to 60 per cent deducted at source, while the country's 180,000 farmers pay virtually no tax at all.

French export orders show marked upturn

BY TERRY DODSWORTH IN PARIS

FRENCH manufacturing industry is benefiting from a marked upturn in export orders, which will sustain a modest improvement in output over the next few months.

But imports are also increasing, the latest survey of the employers' association shows.

The report, based on manufacturers' views of future trends, said that overseas markets recovery has been particularly strong in consumer and semi-finished products.

Biggest upswing has been in West Germany and Eastern bloc countries, a result which underscores France's positive export strategy towards Comecon.

On the debit side, the employers are concerned that increases in production costs are reducing competitiveness abroad. The investment outlook remains uncertain, they emphasised, after a sluggish time for capital goods sales in the past few months of 1978.

But no improvement in this market is expected before the summer. Investment in the electronic sector, however, is progressing satisfactorily.

In contrast to the employers, French consumers seem to be taking a cautious view of the future, mainly due to the steady rise in unemployment.

A report by the French national statistical office says that increasing pessimism about the future lies behind a slight declining consumption and the growth in savings expectations.

But the employers stress that unemployment levels vary enormously from region to region, while new employment is being created at about the same rate as jobs are being lost.

● France will do all it can to reach a growth target of 3.7 per cent in 1979, M. René Monory, Economics Minister, said, Reuter reports from Paris. On prices, M. Monory said the Government hopes to do "a fair bit better" than last year.

Strike hits principal ports in France

Another 24-hour strike by dockers has severely disrupted all important French ports, apart from Le Havre, Transport Ministry officials told Reuter in Paris. Dockers at Le Havre were only expected to stop work for a few hours.

The unions, who struck for 24 hours earlier this month, are protesting about holiday arrangements and pay.

Common fund talks

The developing states reaffirmed their claim for a voting majority in the running of a common fund for commodity price stabilisation as the fourth round of talks began in Geneva yesterday, AP reports. The "Group of 77," as the Third World bloc is called, also insisted that the fund be financed primarily from government contributions over and above an initial payment of $1m per state.

EEC job creation

Italy and Britain received the lion's share of Common Market aid towards job creation last year, according to EEC statistics, Reuter reports from Brussels. Italy's share of the social fund was 41 per cent ($314m) and Britain received S$150m (19.7 per cent).

Bourse strike goes on

The Paris Stockbrokers Association yesterday rejected resumption of talks with unions representing the striking bourse employees, a union spokesman told Reuter.

Fuel short in Turkey

A serious petrol and diesel shortage has disrupted transport in Turkey, AP reports from Ankara. Rising prices of crude, a general scarcity because of the Iranian situation and hoarding by some concerns were responsible for the shortage, according to officials.

Dissident suicide

Ukrainian historian Mikhail Melnik committed suicide after KGB security police searched his house in one of a series of co-ordinated raids on the homes of dissidents and sympathisers, dissidents told Reuter yesterday in Moscow.

Swiss deficit lower

The Swiss budget showed a deficit of SwFr 719m (£212m) in 1978, compared with the expected shortfall of SwFr 1.21bn, the Finance Ministry told Reuter in Berne. Spending at SwFr 15.83bn was 2.1 per cent lower than the budget forecast. Revenue at SwFr 15.11bn was 1 per cent higher.

Ford team in Lisbon talks

BY OUR LISBON CORRESPONDENT

THE PORTUGUESE Government is stepping up its campaign to attract Ford's projected $1bn European assembly plant, according to officials here.

A visit to Lisbon at the weekend by a financial team from Ford Europe's UK headquarters was followed yesterday by a team of engineers. Technical discussions between Ford and Portugal are centring on a proposal presented last month by the Portuguese which calls for development of a site at the industrial complex at Sines.

Although Sines with its existing infrastructure appears to be the most interesting possibility for Ford in Portugal, two other sites are also believed to be under consideration. These are at Setubal, Lisbon's industrial suburb, and at Ford's present assembly plant at Azambuja, north of the capital.

Ministry of Industry officials view the interest now being shown by Ford as confirmation that the Portuguese offer is being taken seriously by Ford, which has also investigated sites in France, Austria, and Spain. Officials stress that the Portuguese challenge has only an outside chance of succeeding. A decision is expected from Ford before the end of the month.

Portugal's latest approaches to Ford are being made against a background of increasing Government activity to revitalise the country's motor industry.

This includes the resumption last week of what is probably the final stage of negotiations with Renault on the French company's plans for a new engine and components factory. An agreement valued at FFr 1.2bn is expected within a few weeks.

Meanwhile, Portugal is awaiting a reply from the EEC Commission to a request that a system of preferential quotas on imported units should be extended for another five years to protect any major new investment in the Portuguese industry.

Concern over tourism despite an abundance of sun, sea and sand

BY JIMMY BURNS, RECENTLY IN THE ALGARVE

"WHEN THEY threatened to take the hotel by force, we took out our guns and barred the windows. Then I told them that we would shoot unless they got away from there."

The speaker is 41-year-old Sr. Fernando Barata, arguably Portugal's most successful hotel owner. The description is of an attempted "occupation" of his four-star hotel, the Sol E Mar, during the hot summer of 1975, when Portugal's short-lived revolution appeared to be reaching a high point in Albufeira, the Algarve's most popular tourist resort.

Similar "occupations" took place throughout the Algarve and plunged Portugal's tourist industry to its lowest ever ebb.

Sitting safely inside his hotel as he recalls the event, Sr. Barata believes that political instability is no longer a factor in Portugal. "There won't be trouble here for at least another 20 years," he remarks.

Outside on the terrace where he once confronted the workers, an elderly group on a package tour from Manchester turn lobster red in the winter sun. Along the streets of Albufeira, political graffiti has been whitewashed from the walls.

Sr. Barata has person[illegible] strong to ensure that there w[illegible] and repitition of the trouble[illegible] has employed the services of a lawyer, learned in the loopholes of Portugal's ambiguous labour laws.

As a result there were few repercussions other than a rather impotent communique in the local union newspaper when 12 employees were recently dismissed from the Sol E Mar.

For Sr Barata—at 16 a waiter from the Alentejo doing the rounds of Europe, now at 41 the proud owner of a tourist empire including four 4-star hotels, six apartment blocks and 22 restaurants—the difficulties in 1979 are with the Government rather than the unions.

Sr Barata is convinced that tourism in Portugal could outstrip the boom year of 1973 but that the Government is holding back from investment.

Latest Government figures show a 20 per cent net growth in total tourist arrivals in 1978 compared with the previous year. In terms of foreign exchange, tourism experienced a positive balance of $421m, a 57 per cent increase on 1977. Along with immigrant remittances, tourist earnings proved to be a major item offsetting last year's estimated trade deficit of $2.4bn.

Sr Barata, however, claims that employers in the industry are prevented from expanding because of the domestic credit squeeze and the absence of Government subsidies.

"I could build another 5,000 beds and guarantee to fill them overnight but I've been waiting for an answer from Lisbon for over two years," says Sr Barata.

Portugal's non-party Government led by Dr. Carlos Mota Pinto has defined tourism as a priority sector in its short-term economic plan. Against a background of continuing financial instability on the home front, however, the Government is exercising caution before setting out on any major new investment.

> Labour unrest threatened Portugal's earnings from tourism four years ago. Now the industry is more concerned with the attitude of the Government.

According to Sr Cabrito Neto, the president of the Algarve's regional commission for tourism, building new hotels in the region may help cater for the extra tourists in the summer but still represents a major risk, particularly in the low season.

For at least four months in the year, hotels lie empty while employees are sent off on "extended" holidays, not such a seasonal welcome when unemployment is running at an annual rate of 13 per cent.

For the Government, the most obvious answer to the problem is to "sell" the Algarve as a worthwhile winter prospect. An initial promotion campaign appears to have been successful. At Albufeira, enthusiastic tour operators explained how Portugal suddenly had become the winter holiday camp. The booking out of the Sol E Mar in mid-February seemed an indication of this.

Portugal's year-round attraction is cheapness and accessibility. With the escudo seemingly on an endless devaluation most European currencies go further here than in most countries. Faro, the Algarve's international airport, is just over two hours from most European capitals. But in this winter of heavy snowstorms, operators have drawn vital late bookings from people looking for the least obvious Portuguese products for this time of year: sun and sea.

Seasonal adjustments, however, have left unresolved what is perhaps the most pressing problem for the Portuguese tourist industry as it faces the possibilty of expansion.

Despite being the "gem" of Portugal in terms of natural beauty and entertainment, the Algarve has an appallingly deficient infrastructure compared with similar European regions.

The brochures boast of superb golf courses, [illegible] and casinos, but an [illegible] reality is that of bad roads, inadequate water supplies and a primitive health service.

This is the predictable result of an industry which until now has operated largely along speculative lines. The Government has promised not to repeat the mistakes of the past.

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AUSTRIAN PRESIDENT IN CZECHOSLOVAKIA

State visit a breakthrough for Husak

BY PAUL LENDVAI IN PRAGUE

PRESIDENT Rudolf Kirchschlaeger of Austria, arrived here yesterday on a four-day state visit which is seen by diplomatic observers as a breakthrough for Dr. Gustav Husak, the Czechoslovak President and party leader, in his quest for international recognition.

The high-level Austrian delegation, which also includes Dr. Willibald Pahr, the Foreign Minister, and Dr. Josef Staribacher, the Minister of Trade, will discuss political issues and explore ways of increasing trade and economic co-operation.

After West Germany, Austria is the second most important western trading partner of Czechoslovakia, accounting last year for 14.5 per cent of the country's western trade. The Czechs complain, however, that sales of machinery make up only 4 per cent of its exports to its neighbour which are still dominated by solid fuels, timber, chemicals and metallurgical products as well as textiles, glass, ceramics and beer.

Dr. Rudolf Kirchschlaeger

By contrast, over half the Austrian exports, worth £120m last year, are composed of machinery and transport equipment.

Dr. Gustav Husak

This is the first visit by an *Austrian head of state since 1921* and the Czech Press is hailing it as "an extraordinary contribution to the positive development" of good neighbourly relations.

President Kirchschlaeger was Austrian ambassador in Prague between 1967-70—at the time of, and after, the Warsaw Pact invasion which suppressed the Czech reform movement. There are many Czech political emigrants in Vienna and the Prague Government has often protested about the reporting of the Austrian mass media. Vienna television can be seen in wide areas of Czechoslovakia.

The Austrian President, who is a practising Catholic, is due today to meet Cardinal Frantisek Tomasek—albeit outside the framework of the official programme and in private. It is also understood that he will ask Dr. Husak for the resolution of a number of so-called humanitarian cases, involving applications for family reunification and exit permits.

He will express Austrian public concern over the imprisonment of the Charter 77 *human rights activists*, Mr. Jiri Lederer and Dr. Jaroslav Sabata.

Haig warns on Turkish economy

By Metin Munir in Ankara

GENERAL Alexander Haig, the supreme commander of NATO forces in Europe, said here yesterday that Turkey's economic problems could "unquestionably" affect its relations with the West.

Turkey and the West appear to have reached deadlock on conditions governing Western efforts to rescue the Turkish economy. Western states and banks will provide aid only if Ankara imposes an economic stabilisation programme along lines proposed by the International Monetary Fund. The Turkish Government believes that the social and political upheaval, which might follow the strictures of such a programme, could endanger democracy in the country.

Gen. Haigh, who was in Turkey for a 24-hour stay, during which he met Prime Minister Bulent Ecevit and Turkish generals, said: "My concerns today focus primarily on the *economic situation in Turkey* and the urgent need for prompt multilateral assistance.

Juliana will stay on Dutch throne

BY CHARLES BATCHELOR IN AMSTERDAM

QUEEN JULIANA expects to remain on the Dutch throne for several more years, the Government said yesterday. The statement came in an effort to staunch the flood of reports that the Queen, who is 69, would step down this year.

In an unprecedented move, Mr. Dries van Agt, the Prime Minister, said he had no reason to assume there would be a new monarch in the near future. "I am thinking more in terms of years than months." Mr. van Agt added.

Speculation has been growing that Queen Juliana would abdicate on April 30—her 70th birthday—or on the 31st anniversary of the abdication of her mother, Queen Wilhelmina on September 6.

The reports have been fanned by unclear statements from senior politicians and officials, and by work being carried out on a residence for the Princess Consort, Princess Beatrix, in The Hague.

Mr. van Agt's statement coincided with agreement within the Cabinet on a draft Bill defining membership of the Royal Family. He gave no details of the Bill, which, in establishing who is a member of the Royal Family, sets the boundaries of the Cabinet's responsibilities for their words and deeds.

Queen Juliana still enjoys good health and can continue on the throne for a long time yet, according to Mr. van Agt. Queen Juliana would be succeeded by her daughter, Princess Beatrix, now 41.

● Wage bargaining talks in the metal industry broke down after employers refused demands for shorter working hours, union officials said, Reuter reports from The Hague.

Employers are firmly opposed to starting a 35-hour working week now, although they are willing to study the unemployment problems, and agreed to easier settlements on early retirement and holidays., the Socialist/Catholic FNV said.

Pope faces problem after death of cardinal

By Rupert Cornwell in Rome

POPE JOHN PAUL II is expected to decide within the next few days on the successor to Cardinal Jean Villot, as the Vatican's secretary of state. The pontiff will officiate today at the funeral of Cardinal Villot.

The death of the French-born Cardinal Villot last Friday night confronts the Polish-born Pope with a highly sensitive decision. He has to fill the post of what amounts to the Church's "Prime Minister," who has a key role in both the internal policy and bureaucracy of the Vatican and also its external policy.

Although John Paul II made it plain at his accession to the pontificate last October that the reappointment of Cardinal Villot to the job he had carried out under Pope Paul VI and the short-reigning John Paul I was a temporary measure, there is little doubt that the Pontiff would have preferred to wait longer before taking the decision.

Every sign is that the new secretary of state will be an Italian to restore balance in the higher echelons of the Church after the election of the first non-Italian pope to the throne of St. Peter in four and a half centuries.

The favourite for the post is Monsignor Agostino Casaroli, the 65-year-old prelate who has become closely identified with the Vatican's "Ostpolitik." Other names mentioned here include Cardinal Benelli of Florence, as well as Monsignor Giuseppe Caprio, the deputy of the late secretary of state.

However there is also some speculation that the Pope may take the opportunity of making a more fundamental reform of the internal structure of the church, possibly by creating separate posts to cover the ecclesiastical and temporal responsibilities of the secretary of state.

Meanwhile the Vatican has received the formal invitation from the Warsaw government for the visit of the Pope to Poland between June 2 and 10. This week also John Paul II is due to publish the first encyclical of his pontificate.

AP adds from the Vatican: Pope John Paul yesterday called for guarantees to make Jerusalem a centre of harmony for Jews, Moslems and Christians.

Opposition to hydroelectric power gains strength in Norway

BY FAY GJESTER IN OSLO

WITH AMPLE supplies of cheap hydro electric power from its mountain river systems, and offshore oil production already exceeding its own requirements, Norway is better placed to face the vicissitudes of the world energy market than any other European country, Britain included. The minority Labour Government has even been able to shelve, temporarily, the politically divisive nuclear issue: in its programme for 1978-81 it said that no planning or building of nuclear power plants was envisaged during the period.

While the nuclear controversy is more or less dormant, another energy policy issue is stirring a running, highly emotional debate. Although it might have been expected, this is not connected with offshore oil. Though only one oil field (Ekofisk) has been brought on stream so far, Norway already pumps up more oil than it can use. Exploration and depletion policy is determined by other considerations, such as the need for oil revenues to reduce the huge foreign debt and the wish to maintain employment offshore and in oil-related industries. There has been argument about the pace of offshore growth, and there will be more—particularly now that the Government has recommended opening Norway's northern waters to petroleum exploration. For Norway, however, this is a question of industrial and economic policy, not primarily an energy issue.

The energy tonic which does bring tempers to the boil concerns another Norwegian resource: water power. For decades, since early this century, harnessing the country's rivers and waterfalls to produce electricity was regarded by almost everyone as a wholly good thing. Hydroelectricity was clean, self-renewing and cheap. It provided the basis for new, energy-intensive industries—light metals, chemicals and ferro alloys.

The first criticisms of hydro power development were voiced in the 1960s. Nature lovers began calling attention to the landscape damage done by major projects—the disappearance of magnificent waterfalls, the ugly piles of stone left [illegible] surroundings of river [illegible] where the water flow had disappeared into pipelines. Sports fishermen grumbled about the effect on fish stocks in rivers and lakes. Farmers complained at the loss of arable land—by flooding or by dehydration.

With the growth of the ecology movement in the second half of the decade, the anti-hydro lobby gained strength. Demonstrators camped in the mountains in the summer of 1970, in an attempt to halt a controversial power scheme—the Mardola Falls project.

Though that scheme went ahead, Mardola was a turning point. Since then, state and local power companies have found it increasingly difficult to get political approval for their most ambitious development projects. Some have been [illegible]own, others temporarily [illegible]ved. Certain watercourses have been declared "conservation worthy" and hydro electric development in them has been banned.

> State and local power companies have found it increasingly difficult to gain political approval for their most ambitious development projects. Some have been cut down, others temporarily shelved.

Each major scheme that has been approved has been fought, every inch of the way, by an increasingly well-organised "No" lobby. Leading the fight is the Norwegian Association for the Protection of Nature (NNVF), the umbrella organisation for Norway's conservationists.

The power-intensive industries are the keenest advocates of continued large-scale development. Recently, however, some Norwegian economists have joined the environmentalists in questioning the wisdom of allowing these industries to expand further. The economists say that other power consumers are subsidising the heavy users.

Statistics on future demand are the major weapon in the tunnel excavations, the parched battle between the two groups. The NVE has consistently pitched its forecasts high, claiming that power shortages were just around the corner if all the projects on its drawing board were not promptly approved and executed.

Time has shown, however, that the NVE has overestimated consumption growth. It has repeatedly lowered its estimate of 1985 "general" electricity usage (excluding energy-intensive industry). In 1975, its figure was 78bn kWh. A year ago, this was lowered to 68bn. And at the end of last month, it tabled yet another guess—57bn, plus an "uncertainty margin" of 5bn, making 62bn in all. (In 1977 general usage was 41.1bn kWh, plus 24.5bn used by the electro industries).

The 5bn kWh margin, intended to allow for low rain/snowfall and other unpredictable factors affecting supply, is a new idea of the NVE. Conservationists say it is a "political" margin—a gimmick to help NVE win support for controversial development schemes. Their forecasts of future usage are based on the belief that growth can and should be curbed—by raising prices, by preventing further expansion of the power-intensive industries, and by encouraging energy saving.

Last year saw the approval of two projects strongly opposed by environmentalists—the harnessing of the Orkla and Grana rivers, in central Norway, and the Alta river, in the northern county of Finnmark.

Then, to appease its conservationist wing, the Labour government decided not to allow two other controversial projects, affecting river systems on the Hardanger Plateau, the Vieg and Dagali. A public opinion poll showed 51 per cent support for the development ban, and only 23 per cent against it.

None of the above decisions has been accepted by the "losers." The local power company that sought to develop the Dagali river plans an appeal to the Storting (Parliament). Conservationists are threatening "Mardola-type" actions when work starts, this summer, on the schemes that were approved.

Meanwhile, no further major hydro projects are likely to get the green light until a forthcoming white paper on energy policy has been tabled next autumn, which will be debated by the Storting in spring 1980. The white paper will contain new forecasts of future energy consumption. According to a recent white paper on energy saving, the new figures will take account of the outlook for reduced economic growth over the next few years, and are likely to be lower than previous predictions.

One thing is certain: during the run up to the Storting's energy debate, both sides are going to intensify the fight to win public support for their views. A leading metal-smelting concern, Elkem-Spigerverket, has already launched a public relations campaign underlining the importance to Norway of the power-intensive industries. The NNVF plans a programme of lectures, seminars and study circles, to stress what the country will lose if large-scale hydro development is allowed to continue. The statistics will keep flying, in both directions.

Kruger acts to blank out part of Rhoodie article

BY QUENTIN PEEL IN JOHANNESBURG

THE RAND DAILY MAIL, South Africa's leading opposition newspaper, appeared yesterday with blank spaces on its front page, after a midnight court injunction was granted to Mr. Jimmy Kruger, Minister of Justice.

The gaps occurred in the middle of an article quoting Dr. Eschel Rhoodie, former Secretary for Information, alleging complicity of Cabinet members in the clandestine operations of his former Department.

Mr. Kruger's action coincided with growing pressure in Government circles for action against the South African Press—especially the opposition English-language newspapers—to prevent further damaging disclosures about the secret activities of the former Information Department, and alleged misspending of Government cash.

The Citizen, the pro-Government newspaper, whose foundation was wholly financed by the secret Information Fund, claimed yesterday that "drastic action" would be considered this week "to call the English-language Press to account."

Despite Mr. Kruger's court action, which only deleted allegations about his own role, the Rand Daily Mail yesterday published further detailed claims by Dr. Rhoodie about Cabinet members and senior civil servants who, he said, were aware of his Department's secret activities before they were exposed by a Government commission of inquiry.

Speaking from an undisclosed hideout in Europe, Dr. Rhoodie named Mr. P. W. Botha, the Prime Minister, and General Magnus Malan, the Chief of the Defence Force, as having been involved in more than one secret operation. Information department "secret agents" had on occasion reported direct to Mr. Pik Botha, Foreign Affairs Minister, he claimed.

The Cabinet meets today for its regular weekly meeting. Speculation is growing that further action to defuse the continuing information scandal will be considered.

Arrie Paulus —unashamed racist

MR. ARRIE PAULUS, General Secretary of South Africa's all-white Mineworkers' Union, is an unashamed racist. He is also widely regarded as possibly the most effective trade union leader in South Africa, our Johannesburg correspondent writes.

His racism is profound and unshakeable. "There is no such thing as a black miner." he declared in a recent interview. "There is only a black labourer."

He identifies four priorities for his union: a five-day working week, higher pay and pensions, better sickness compensation, and "the vital one: to keep blacks out of the mining industry."

He is convinced that the white worker is facing a total crisis, as employers press for cheap black labour to be used in skilled "white" jobs. He also believes that his own National Party Government and big business are involved in an unholy alliance to accomplish it.

"It is my role to see that the white worker in South Africa does not get a raw deal," he says, "that the blacks can't do everything in their own countries, and still come and get the cream in white South Africa as well."

Whether Arrie Paulus is leading a true white backlash, or simply orchestrating the death-throes of fundamental white racism, has yet to be seen.

As for his strategy, he will not show his hand until he has to, but he sees it quite dramatically enough: "A good general doesn't tell the other side if he has an atom bomb, he waits for the right time to use it. The white worker has great power, but we won't use that power until we are united."

Mines strike 'is crumbling'

BY OUR JOHANNESBURG CORRESPONDENT

THE NATIONAL strike by white South African miners is crumbling, with more than 5,000 out of 9,000 strikers back at work, the South African Chamber of Mines claimed yesterday.

But at meetings addressed by Mr. Arrie Paulus, the miners' union leader, the men passed resolutions refusing to return to work until all their benefits were reinstated, and also passed motions of full confidence in Mr. Paulus.

The chamber said that all but three of the country's collieries were back to normal, and members of the Mineworkers' Union (MWU) had disregarded the order for a general strike in the Evander Goldfield and on the East Rand.

But the strike, which began last week as a sympathy move, is still attracting overwhelming support in South Africa's major gold-mining areas—the Orange Free State and the West Rand—and in Rustenburg, the heart of platinum mining.

The MWU, which disputes the chamber's figures as propaganda, has appealed to Mr. P. W. Botha, the Prime Minister, to intervene.

Meetings at Rustenburg, Klerksdorp, and Carletonville yesterday passed resolutions of no confidence in Mr. Fanie Botha, Minister of Mines.

The original cause of the stoppage was the promotion of coloured mineworkers at the O'Okiep coper mine in the Northern Cape. But the immediate response of the Chamber of Mines in dismissing all the miners involved has turned the one-day stoppage into a prolonged dispute.

The underlying cause is the miners' fear that the Government will scrap racial job reservation on the mines.

The Chamber said yesterday that it would not talk to the union until all its members had returned to work, which meant them signing new contracts and sacrificing their benefits.

Production at most mines has not been seriously affected, but losses could start if the dispute drags on.

White miners become embittered

BY OUR JOHANNESBURG CORRESPONDENT

"A COUPLE of scabs have gone back to work," a striking South African white miner said. "They are worse than terrorists. But I can tell you one thing: they won't get their jobs back."

The miners who walked out last week on their first nation-wide stoppage since 1947 are deeply embittered. But their anger is not directed only against their employers, it is aimed above all at the Government they have supported for the past 30 years.

Standing around in the dusty car park of a neighbourhood shopping centre in Westonaria, a gold-mining town west of Johannesburg, a motley assortment of miners, variously dressed in shorts or slacks, open shirts and sandals, were waiting for the latest word from union headquarters.

They were deeply suspicious of two journalists and threatened to assault us for the hostile coverage given to their dispute in South African newspapers. But when they discovered we did not represent the pro-government Afrikaans Press, they agreed to talk.

"The Government is paying the newspapers to turn against the miners," said one man, referring to the stories of miners beating up colleagues returning to work, and of their wives pleading with them to go back.

The man who is the butt of the most bitterness is Mr. Fanie Botha, the Minister of Mines and Labour. "He is the worst Minister of Mines we have ever had," was a popular sentiment.

Mr. Botha was pelted with eggs and tomatoes at a political meeting in the major mining centre of Carletonville last year.

"This thing has taken a very nasty turn," said a retired mine manager in the local hotel. "When they have finished with this they won't stop until they have got rid of Fanie Botha."

"We are not going to vote Nat. here again," a miner insisted, with half a mind on the by-election coming up in the area, to replace the former standard bearer of conservatives in the ruling National Party, Dr. Connie Mulder. "They will be surprised at the result. But this Nationalist Government is down to the ground."

Moreover, they are by no means sure where they will put their votes, if they no longer vote for the National Party. The extreme right-wing Herstigte (purified) Nasionale Party is the most popular choice.

Iran planning to increase gas prices to Russians

BY ANTHONY McDERMOTT IN TEHRAN

THE NATIONAL Iranian Oil Company (NIOC) is reviewing the prices and volumes of its gas sales. The hoped-for increase in gas prices will affect in particular the Soviet Union, which used to receive associated gas—a by-product of oil production—through the gas trunk-line from the oilfields in the south to Astara on the Soviet border in the north.

This project is known as IGAT-1. It is also to receive gas from IGAT-2, a priority project whose construction has been halted for some months as a result of political and economic troubles. The whole project may still be revised.

The decision to review gas sales runs directly counter to a statement last week by Mr. Hassan Nazih, the NIOC chairman, that contracts with the Soviet Union would not be revised.

This review must be seen within the uncertain context of recent developments in the Iranian hydrocarbon industry. Two in particular apply to the gas industry. First, the National Iranian Gas Company and the National Petrochemical Company have been brought directly under the control of NIOC, whereas previously they had had a degree of autonomy.

Secondly, Mr. Nazih has said that gas exports would resume as oil production levels—now 1.9m barrels/day, of which 700,000 b/d is for domestic consumption—permit.

But at the same time it is clear that considerable uncertainties remain. NIOC and the provisional government of Mr. Mehdi Bazargan have not established at what level oil should be produced in the long term.

And the pace at which the sophisticated gas recovery programme in the southern Khuzestan fields will be developed has not been worked out.

The former will affect the quantity of gas available for IGAT-1, and therefore sales to the Soviet Union; and the second its parallel and still unfinished counterpart.

The sales contracts for the two gas-lines differ. Under the first, gas is sold against Soviet goods and roubles. The second earns a hard-currency commission of about $1 per 1m British Thermal Units (BTU).

Iran's gas is sold to the Soviet Union, which exchanges it—at a trans-shipment rate of about $1.15 per 1m BTUs—to West Germany, France, Austria and Czechoslovakia.

But the spur for NIOC to set up a study for re-pricing stems from the fact that Iranian gas pumped through IGAT-1 is being sold at the equivalent of 70 cents per 1m BTUs, while natural gas transiting IGAT-2 (admittedly at $3bn a project costing four times as much) earns only 30 cents per 1m BTUs more.

Minorities' threat to revolution

BY ANDREW WHITLEY IN TEHRAN

SIX OF IRAN'S important ethnic minorities have now expressed demands for greater self-rule or are attempting to seize control of their traditional territories. A seventh group, the 270,000 Armenians, has started seeking arms from Tehran middlemen.

These demands have created a ring of potential trouble for the Persian-speaking heartland of the revolution, centred on Tehran and Qom, 90 miles south of the capital. For the Shia Moslem revolutionary leadership, the unpalatable fact is that over half the population does not speak Persian as a first language.

In the latest moves, Turkish-speaking nomads from the Turkoman side of the north-east yesterday demanded greater autonomy. This follows the lead set by the largest minority group, the Kurds.

Over the past few months the Turkoman, numbering some half-million, have reoccupied land lost to settled farming and royal estates in the past half-century. Their efforts have been stepped up since the revolution.

Complainants in Gonbad-e-Qabus, the regional capital, said yesterday that over 140,000 acres of farmland under crops had been plaughed up by marauding Turkoman bands.

The problem of the Kurds' claim to autonomy within a federal republic is a highly sensitive issue for the Government, and one which it is likely to try to avoid.

Many Kurdish nationalists will be infuriated by Ayatollah Khomeini's negotiations last week with a secondary-level leader known for his conservative views.

The leader, Mr. Ahmed Muftizadeh of Sanandaj, returned from talks with the Ayatollah in Qom last Thursday, claiming he had reached an important understanding to ensure Kurds' ethnic, cultural, social and economic rights.

His nomination by Tehran and Qom as "the only true national and religious leader" of Iran's 4m Kurds will be strongly challenged by the more radical Kurdistan Democratic Party and the Mahabad leader, Sheikh Ezzedin Husseini, who toether command most support in the region.

The other minorities giving cause for concern in Tehran are the half-million Arabic speaking people in the oil-strong south-west, and 700,000 Baluch tribesmen in the geographically isolated south-east corner of Iran, along the Pakistan border.

Government-sponsored rallies in Khuzestan Province, the disputed territory of "Arabistan," as it was termed by patriots of the Arab world until the mid-1970s, have denounced talk of separatism.

Diplomats say that separatist feeling is stirring in the region, although it is so far confined to young hotheads taking advantage of the general climate of dissent and claiming ethnic rights.

Baluchistan is a different story, being perhaps the only region of Iran where a significant pro-Shah force still exists.

This is mainly because the former regime turned a blind eye to the large-scale cross-border smuggling which was the main source of livelihodd in the area. Although this large and impoverished province now has an air of superficial calm, local uprisings have been crushed in recent months.

Even the ancient cradle of the Persians, the southern province of Fars, with its capital Shiraz, has not been spared efforts by the tribes, in this case the Turkish-speaking Qashqai, to restore their regional supremacy.

Khosrow Qashqai, their paramount chief, returned recently to Shiraz after 25 years in exile and according to travellers is once again the real power there.

In an interview in the local Press yesterday, Ayatollah Shariat-Madari, a moderate religious leader based in Qom — the hometown of Ayatollah Khomeini — reaffirmed his view that a referendum should pose the question what régime was wanted "instead of asking people whether they want an Islamic republic or constitutional monarchy."

Pakistan departure seals fate of CENTO

By David Tonge

THE CENTRAL Treaty Organisation is, in effect, no more. Yesterday Pakistan announced that it was withdrawing from the 20-year-old pact linking it with Iran, Turkey, Britain and the U.S. The new regime in Iran had already indicated its decision to quit the pact.

On Sunday, following a three-day visit to Tehran of Mr. Agha Shahi, Pakistan's Foreign Minister. The Iranian Foreign Ministry repeated this decision. It claimed that CENTO was no longer effective in protecting the rights and interests of member states.

Founded in August 1959 as the successor to the Baghdad Pact, which had also included Iraq, CENTO sought to put flesh into Foster Dulles's ideas of a "southern tier" of states acting as a bulwark against the USSR. But Pakistan became disenchanted when CENTO failed to help it during the Indo-Pakistani wars of 1965 and 1971. Turkey too preferred to put more emphasis on the economic pact linking the three countries, RCD (Regional Co-operation and Development).

Ministers attending its annual meeting in London last April were greeted by Iranian students' leaflets proclaiming "The people's struggle will smash CENTO and all other imperialist treaties." The leaflets denounced CENTO as "aggressive" and being aimed to liquidate "the people's liberation movements of the area."

But even then it was being asked what purpose the pact was still serving. Founded in the midest of the cold war it had always been a mere common statement of anti-Communism rather than a military alliance. Now Iran may have still to chart its new foreign policy, but Turkey remains a member of NATO and the possibility of a U.S.-Pakistani defence agreement is mooted.

Meanwhile, Anthony McDermott report from Tehran that 5,000 people marched through the centre of Tehran yesterday in support of equal rights for women. This demonstration was proceeded by a rally atended by about 15,000 people, mainly women, at Tehran University.

The Government, which, as a result of this campaign, has come under increasing pressure to hold a referendum on a secular rather than a purely Islamic republic, made efforts to prevent people taking to the street on this issue for the fourth time in five days.

On Sunday night a film of a women's demonstration on the official televisio nnews network was deliberately cut short.

Mideast oil installations may become a target

BY IHSAN HIJAZI IN BEIRUT

OIL INSTALLATIONS in the Middle East may again become targets for Palestinian guerrillas if an Israeli-Egyptian treaty is signed, according to informants close to the commando movement.

They say the topic has been under discussion for some time but was put off after Saudi Arabia and other oil-rich Arab states joined the summit in Baghdad last November against the Camp David accords.

Dr. George Habash, leader of the radical Popular Front for the Liberation of Palestine, spoke about oil in a speech here yesterday.

He told a rally that the oil weapon must be used to thwart the Carter mission. "It is our right to use the weapon to defend our cause," he said.

Dr. Habash's group blew up the trans-Arabia pipeline twice about ten years ago, but subsequently discontinued such operations.

Also present at the rally was a representative of Iran's hard-line Marxist Fedayeen-e-Khalq group, who vowed that the Iranian revolution would be a shield for all revolutions in the Middle East.

It is thought here that two U.S. made missiles which disappeared from an Iranian airbase are in the possession of the Fedayeen e-Khalq and that they might be passed to Palestinian commandos.

It is recalled that even Mr. Yaser Arafat, the chairman of the Palestine Liberation organisation, has threatened action against U.S. interests in the Middle East if a U.S.-engineered treaty between Israel and Egypt is concluded.

Dr. Habash singled out Saudi Arabia for attack in his speech. He recalled that while the Saudi regime declared opposition to the Camp David accords, it boosted its oil production when Iranian output dropped.

Observers noted that through the support they now have from Iranian nationalists, the guerrillas could obtain an outpost on the strategic Hormuz Straits, a vital sea lane for oil bound for the West.

Kathy Bishtawi reports from Sharjah: Diplomats and officials in the Gulf area believe that the signing of a separate peace between Egypt and Israel may prove dangerous for the oil states.

Increasingly, Governments and diplomats in the Gulf are saying that Mr. Carter's ambition to seal a treaty may conflict with the U.S. Government's expressed desire of reassuring its Allies in the region after the upheaval in Iran. Officials and leaders have said that they do not wish to see the Gulf developing into an area of super-power confrontation.

Officials note that the aircraft carrier Constellation and its accompanying guided-missile destroyer and guided-missile cruiser are due to enter the Gulf region soon. "The Americans are mad to use gunboat diplomacy at this time," one official said. "We do not want super-power interests here. Super-power interference has already prolonged the conflict in Yemen."

Vietnamese harass withdrawal

BY JOHN HOFFMANN IN PEKING

VIETNAMESE TROOPS have attacked Chinese forces withdrawing towards the border, according to reports published in Peking yesterday.

The reports coincide with Vietnamese allegations that the Chinese forces are leaving behind them "scorched earth" and looted villages.

China says it dealt powerful counter-blows to Vietnamese units which harassed Chinese forces on their way home after the month-long incursion into Vietnam's northern provinces.

Since Friday Vietnamese troops in platoon, company or battalion strength have made repeated attacks on units heading for border passes to Guangxi province, the New China News Agency says "Chinese troops struck back heroically and inflicted heavy casualties."

In Peking, during the weekend Mr. Deng Xiaoping, the senior Chinese Vice-Premier, referred to the four-week war as China's "counter-attack in self-defence." In another speech, Mr. Deng said that the Chinese withdrawal would be completed within a few days.

Chinese troops are being welcomed as heroes in the border towns of Guangxi and Yunnan provinces. Buildings are hung with bunting and crowds cheer and beat drums and gongs as the soldiers cross the border.

هكذا من الأصل

AMERICAN NEWS

Crisis in Iran causes 6% rise in cost of oil

BY DAVID LASCELLES IN NEW YORK

Price disruptions caused by the Iranian crisis have added an average 75 cents, or 6 per cent, to the cost of a barrel of oil since January, Dr. James Schlesinger, the U.S. Energy Secretary, told the Senate Energy Committee yesterday. But he added that there had been a "slight softening" in prices recently.

Mr. Schlesinger said his calculation had been made on the basis of the three-tier market for OPEC oil that had developed in recent weeks. The largest amount of oil, about 55 per cent of the total, he said, was still being sold on the basis of the official OPEC price, set last December, of $13.34 per barrel.

Another 40 per cent of OPEC exports is being sold at premium prices averaging $14.61 per barrel, $1.27 more than the official price. Premium crudes are being shipped mainly by Kuwait, Abu Dhabi and Libya, Dr. Schlesinger said.

The remaining 5 per cent or less is being sold on the spot market where prices are upward of $15 per barrel.

Dr. Schlesinger said the resumption of oil exports from Iran was encouraging, but there were still major uncertainties, including what price Iran would settle for on the long-term supply contracts it is now renegotiating.

Dr. Schlesinger also said uncertainties included Iran's ultimate export level, whether oilfield workers will obey the new Government, and the security of the oilfields themselves. Another uncertainty was the extent to which other producers who had raised output to compensate for the Iranian decline, would reduce production once Iranian oil starts flowing properly again.

The Iranian cutback had begun to make itself felt in the U.S., he added. Stocks are now 85m barrels below estimated normal levels for this time of year, particularly in distillates. Dr. Schlesinger has allowed himself until April 1 to decide what action, if any, is necessary to deal with oil shortages.

Fed moves to calm money market fears

BY STEWART FLEMING IN NEW YORK

FEARS that the Federal Reserve Board might be tightening its monetary policy were dispelled to some extent early yesterday when the central bank added bank reserves to the financial system with federal funds trading at 10¼ per cent.

There were signs that the money markets are beginning to anticipate some rise in short-term interest rates. The First National Bank of Chicago, the ninth largest U.S. commercial bank, announced yesterday that it was raising its prime rate from 11½ per cent to 11¾ per cent.

Several major U.S. banks already have a prime rate set at 11¾ per cent established in the year, but others fell back and have been holding at 11½ per cent for several weeks.

The First Chicago move could indicate that the split in the prime rate between the banks is about to end. At this stage however, Friday's fears that the Federal Reserve might be moving rates higher through its monetary policy have been removed.

The Fed added reserves soon after the market opened yesterday indicating that it was still sticking to its average weekly federal funds target at around 10 per cent, the level which has prevailed throughout the year.

HERRERA PROMISES AUSTERITY PROGRAMME

Venezuelan President takes office

BY KIM FUAD IN CARACAS

SR. LUIS HERRERA CAMPINS, a 53-year-old Christian Democrat who has promised to govern Venezuela with austerity, took office yesterday, succeeding the free-spending administration of Sr. Carlos Andres Perez.

Sr. Perez's eventful five-year term (1974-79), during which he nationalised the foreign-owned oil and iron ore industries and devoted a large share of annual average government spending of $10,000m to expanding basic industry, will prove a hard act to follow.

Sr. Herrera, who defeated the candidate of Sr. Perez's Accion Democratic Party by over 170,000 votes in the December election, has complained that he has inherited a difficult economic situation. Oil income, which finances two-thirds of the Venezuelan budget, has been declining: the Perez administration pushed the public debt to $10,700m and in 1978 imports outweighed exports by $11,800m to $8,900m.

One the positive side, the Perez administration nationalised Latin America's largest oil industry with no major hitches and recent price moves have increased estimated 1979 oil revenues of $5,400m by close to $1,700m. The economy showed a real annual average growth of 7 per cent, providing full employment for the 4m workforce, while basic public services were expanded and inflation (7.8 per cent in 1978) kept in check.

Sr. Herrera, however, is concerned over the deterioration in the balance of payments and the growth in public debt, which is expected to cost the nation some $5,500m in foreign debt servicing alone between 1981 and 1983.

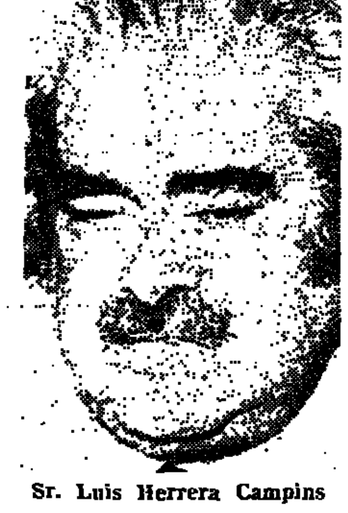
Moreover, Sr. Herrera notes that Government spending, with about 70 per cent going on current expenditures, has been increasingly less productive. He points to a previous ratio of one unit of spending for 3.5 units of gross domestic product under the administration of President Rafael Caldera (1969-74) and a 1: 1.5 ratio for the Perez Government.

Sr. Herrera is expected slowly to remove controls on prices of locally produced goods and services — which businessmen insist is vital if productivity is to be increased—impose import controls, refinance foreign debt, rationalise spiralling domestic energy consumption, increase public services prices and review national development projects which involve expanding iron, aluminium and hydro-electric output.

While Sr. Perez characterised his administration as "audacious", the new Government is taking a cautious line and no major short-term changes are expected. The oil industry, now working at 94 per cent of its 2.4m barrels a day (b/d) capacity, will see some changes in faces, but the 10-year, $20,000m expansion programme will continue.

The aim of the programme is to build up capacity to 2.1m b/d and increase current proven reserves of 18,000m barrels through offshore exploration and development of the non-conventional heavy oil in the Orinoco oil belt.

In his lengthy government programme, Sr. Herrera studiously avoided any mention of his administration's views on foreign investment. His aides, however, indicate that Venezuela will probably continue to follow the guidelines laid down in the Andes Pact countries (Bolivia, Colombia, Ecuador, Peru and Venezuela), which put sharp limits on the amount and area of foreign capital.



Sr. Luis Herrera Campins

Caribbean business confidence looks up

BY DAVID RENWICK IN TRINIDAD

AS MEMBERS of the Caribbean Association of Industry and Commerce (CAIC), gather here this month for a special meeting in conjunction with the 100th anniversary of the Trinidad Chamber of Commerce, it is with a feeling of renewed confidence for the future.

For despite the economic difficulties that still beset some member states of Caricom, the Caribbean community, the private manufacturing and business community seems more optimistic today about its role in the region than it has been for many years.

Mainly responsible for this feeling is that the two most "socialist" administrations in Caricom — Guyana and Jamaica — have begun making noises more favourable to the concept of free enterprise.

After several years of promises, Mr. Forbes Burnham's Government in Guyana has finally published its private sector code, which envisages a more positive role for non-government enterprises than had been expected.

A series of nationalisations since the early 1970s, mainly of foreign-owned businesses like the Booker McConnell Group, resulted in the State owning [illegible]0 per cent of the means of production, distribution and exchange in Guyana. Another 10 per cent was in the hands of co-operatives, with only 10 per cent controlled by private corporations or individuals.

A dramatic reversal of that trend in unlikely in the near future but regional private interests have welcomed the code as official indication that private enterprise is still considered an economic partner, although a junior one, and is now aware of the ground rules under which it is expected to operate.

Survival

In Jamaica's case, Mr. Michael Manley's Government's conversion to the virtues of private business activity has been speeded-up by the exigencies of economic survival and the firm persuading hand of the International monetary Fund (IMF).

Prime Minister Manley was beginning to woo the private sector, whose confidence in Jamaica had been severely shaken by six years of radical socialist rhetoric and flirtation with the ideas of the Castro regime in Cuba, even before the IMF intervened in Jamaica's economic affairs last year.

The Fund's arrival merely intensified the process. Manley was obliged to agree, in return for $240m worth of balance of payments assistance over three years, to accord the private sector something of the position it had enjoyed under the previous regime of the non-socialist Jamaica Labour Party (JLP).

Foreign as well as local private producers were included in this new dispensation. The Government declared its willingess to "welcome" foreign investment capital——which had slowed considerably after Manley's accession to power—and promised to seek to promote joint ventures with local capital and the local public sector.

In a move viewed with alarm by the extreme left-wing of Manley's party, the PNP, the Government was also obliged to agree with the IMF that price controls should be relaxed "because it is essential," in the words of Mr. Eric Bell, the Finance Minister, for "productive enterprises to earn rewards which are equitable and reasonably commensurate with the risks involved."

This is one reason why costs have leapt so rapidly in Jamaica since the IMF package was accepted: the 1978 inflation rate was almost 50 per cent, probably the highest in the modern history of any Caricom state.

The restoration of the private sector's position is also evident in the context of regional integration, the Caricom Council of Ministers having agreed to accord businessmen in the area a more influential role in decision-making.

The views of the CAIC are now sought before, not after, the Council deliberates on issues affecting the area as a whole.

In advance

"We now have an idea what the Council is going to talk about in advance of its meetings, instead of waiting to be told afterwards, as used to be the case," explains Mr. Noel Venner, CAIC's secretary-general based at the organisation's headquarters in St. Lucia.

"In this way, we can make our views known prior to policy decisions being taken. In the past, all we knew was that the Council was having a meeting and even the agenda was a secret from us."

The Council has also agreed to expedite establishment of a mechanism to facilitate a regime for regional private enterprises.

This is a legal framework under which business activities set up in any one territory of the group automatically enjoy rights and privileges in every other territory.

It is designed to encourage joint ownership of regional assets by businessmen in the area, who must own at least 51 per cent of the shares and be nationals of at least two member States to qualify for the preferential treatment accompanying Caricom enterprise status.

Mr. Venner sounds a cautionary note, however, when he says that though many Caricom Governments seem to have been forced by economic circumstances to return to the private sector for help in expanding the investment base and earning foreign exchange, regional businessmen should not think that the forces hostile to them have disappeared.

"The radical Left may be in retreat temporarily but it is still lurking in the wings somewhere," he warns. "For the private sector to maintain its position, it will have to look at itself more closely.

"After all, most Governments in the area are under intense pressure to provide jobs, consumer goods and so on and the private sector must learn to accept that it has a social as well as an economic responsibility."

Bomb recipe ban 'a threat to Press freedom'

By David Buchan in Washington

THE U.S. Justice Department will later this week ask a Wisconsin court to put a permanent injunction on the proposed publication in the Progressive magazine of an article on how a hydrogen bomb works, on the grounds that its appearance would undermine the Carter Administration's efforts to stem the proliferation of nuclear weapons.

A Milwaukee judge last Friday granted the Government a temporary restraining order on the article. The case has the makings of another classic test of the freedom of the U.S. Press, eight years after the Supreme Court ruled that the Nixon Administration could not stop publication of the Pentagon Papers. But the 1971 ruling was not considered definitive because the court did not rule out all such bans.

The editor of the Progressive, known for its anti-nuclear position, has claimed it is nonsense for the Justice Department to argue that the article constitutes a hydrogen bomb recipe which any crank or terrorist could make use of. Mr. Erwin Knoll says that the article discusses the issue of secrecy in the U.S. nuclear weapons programme.

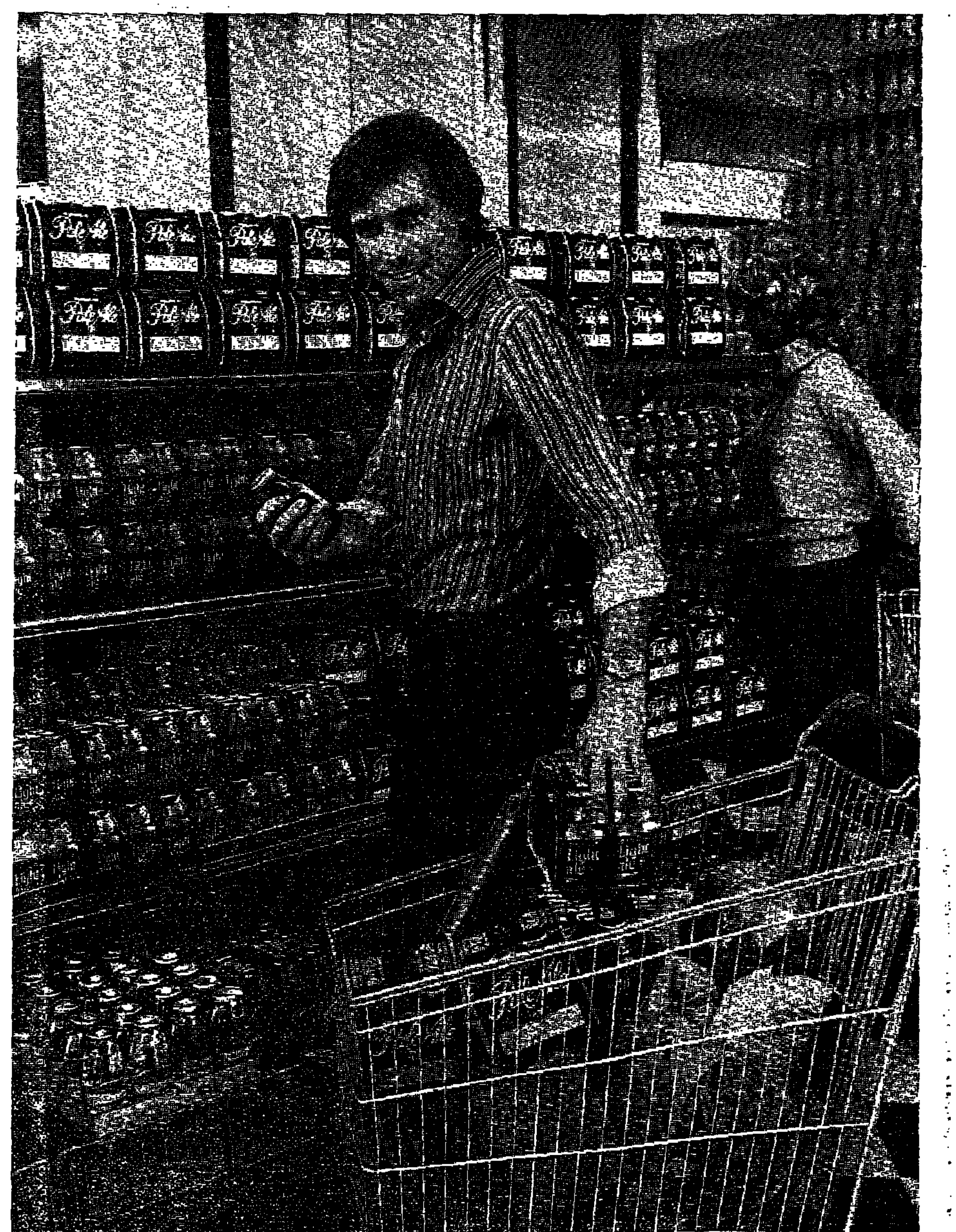
But Mr. Jeremy Stone, director of the Federation of American Scientists, a liberal lobbying group, has appealed to the Progressive not to print the article. The FAS argues that its publication could advance the spread of hydrogen bombs, and that the Progressive is not serving the interests of a free Press by provoking a court case that could end in a permanent infunction.

Panama forms political party

By William Chislett

THE GOVERNMENT of Panama, which is maintained in power by the National Guard has officially launched its own party and warned that it will crack down on "extremists" groups.

Congressional elections will be held in 1980 and the PRD is leading the way in the registration of parties, which need 30,000 members before they can take part in elections.



E. Germany 'determined' to boost exports to West

BY LESLIE COLITT IN LEIPZIG

EAST GERMANY is determined to increase exports to the West *to reduce its growing debt to* OECD countries which is now estimated to have reached over DM13bn (£3.5bn). Cumulative trade indebtedness to West Germany alone has risen to DM 3.7bn (£1bn) after a record gap *last* year of *DM* 620m between East German exports to West Germany and imports.

Herr Erich Honecker, president and Communist Party leader of East Germany, has expressed his country's desire to expand trade with West Germany this year after the low *one per cent growth rate of last* year when intra-German trade reached DM8.8bn. Herr Honecker, meeting the chairman of the board of Fried Krupp, Herr Heinz Petry, at Krupp's stand at the East-West trade *fair here,* said he regretted the "stagnation" in intra-German trade and that it should increase "to the benefit of both sides."

The East German leader showed interest in exanding *joint projects with Krupp in* third countries such as Krupp's *venture with the East German* foreign trade organisation Unitechna, acting as consortium head in Ethiopia, where they are building a cotton spinning mill to be completed early next year. Krupp, which is complet*ing an electro-steel* mill and foundry worth DM250m in East Germany is interested in *joint* projects elsewhere but finds the slowness of East German economic bureaucracy a bindrance

French-Romanian pact signed

BY DAVID WHITE IN PARIS

PRESIDENT Valery Giscard d'Estaing returned from Bucharest at the weekend with a package of co-operation agreements which France hopes will place it ahead of West Germany as Romania's chief western *trading partner.*

Romania is to follow other Warsaw Pact countries in adopting the French Secam colour television system in preference to its West German rival PAL. The agreement also envisages *construction by* France of 60 TV transmitters and local production of television sets both for the Romanian market and for *export.*

The other main items in the agreements, which back up the *two countries' pledge to double* their 1975 level of trade by 1980, *reinforce areas of co-operation* which have already proved *successful — notably cars, heli*copters and computers.

The two sides confirmed an accord reached last year with Renault to expand Romanian production of Renault models, so far limited to a version of *the R12 and a light van.* The Romanian operation is to build 2,000 R20 saloons a year, and the framework agreement covers annual production by 1980 of 90,000 R18 cars and 35,000 pick-up versions of the same model. Romania wants to extend its collaboration to diesel engines and heavy vehicles.

Citroen signed an agreement two years ago to build a factory to make 130,000 cars a year. *The plant is due to reach this* capacity in 1981.

Under the latest agreement, the two countries are to study the use of computer technology in the Citroen plant. Other openings for new co-operation *in electronics, which already* covers production of Cii-Honeywell-Bull's Iris 50 computer, include calculators, components, telephone exchanges and medical equipment.

Nordic report confirms subsidies distorting trade

BY HILARY BARNES IN COPENHAGEN

FREE TRADE between the Nordic countries is being undermined by state subsidies to industry and other technical trade restrictions, according to a confidential Nordic Council report cited in the Copenhagen newspaper Boersen, yesterday.

The report said that subsidy policies were being used as an *instrument of protection and* the countries were thereby exporting the consequences of the international economic crisis to each other. But despite the general tenor of the report it concludes that it "can neither prove nor disprove the supposition that the subsidies have had a distorting effect on trade."

The Nordic Council is an inter-Parliamentary body for Nordic co-operation. The subsidies report was written by the Nordic Ministerial Council at *the request of the Parliamen*tarians but at last month's Nordic Council meeting the Parliamentarians were told the report would not be published because of opposition from the Swedish, Norwegian and Finnish *Governments. Danish* Conservative leader Mr. Poul *Schlutter has* since campaigned for the release of the report.

Footwear, clothing and textiles, pulp and paper, chip board and ship building are among *the industries which have been* most extensively subsidised.

The report, however, only covers the period from 1970 to 1976, and, as the newspaper noted, *many of the most ambi*tious subsidy schemes came into force after 1976.

Norway plans to promote exports

BY FAY GJESTER IN OSLO

NORWAY'S Government has asked the Storting (Parliament) to approve an allocation of *NKr 25m* (£2.5m) to be *spent* on measures to promote Nor*wegian exports over the longer* term.

In its proposal the Government says it expects that finished goods and technically-advanced products will in future account for a growing share of Norway's total exports and increasing effort should be devoted to marketing.

Some of the money would finance an information cam*paign to persuade Norwegian* companies to devote more attention to export marketing. Support would be given to trading courses in selling on foreign markets.

UK companies less hopeful on sales in West Germany

BY GUY HAWTIN IN FRANKFURT

ITALY HAS replaced France as Britain's main foreign competitor in the West German consumer goods market, while the United States is the top competitor in the sale of capital goods.

These findings are included in the survey of the performance of British goods in the Federal Republic, produced by the British-German Trade Council in Cologne.

According to the council, the *sample of 88 companies operat*ing in the market indicated that other British companies were the third most important source of competition in both sectors. *Vying for fourth place* were France, Japan and the Netherlands.

Morale among British companies in the market seems to have slipped a little since last year. The proportion of respondents *reporting lower sales* and worsening competitive positions —though still well in the minority—have increased.

The report says that 12 per *cent* of the respondents reported much improved sales in 1978, while 35 per cent reported that sales were better. This compares with 20 per cent and 29 per cent respectively in 1977.

Some 44 per cent, compared with 48 per cent the previous year, said that performance remained unchanged—and 38 per cent assessed it as satisfac*tory.* Nine per cent against *1977's 3 per cent,* said sales were worse or much worse.

Some 54 per cent reported an improvement in orders against 61 per cent in 1977, and 36 per cent, compared with 28 per cent, reported them unchanged. Ten per cent repotred weak bookings compared with 11 *per cent the previous year.*

An improvement in competitive position was reported by 31 per cent fo the respondents compared with 25 per cent in 1977. Forty-eight per cent, against 59 per cent reported the *situation unchanged, but 21 per* cent, compared with 1977's 16 per cent, said that their competitive position had weakened.

The council comments that as in the previous survey, about half the respondents in the investment goods sector reported continued improvement in sales and an even *larger* proportion increased new orders. The proportion of those *reporting* an improved competitive position, however doubled.

In the consumer goods field, two-fifths of the respondents reported improvements compared with three-fifths in 1977. *Fewer felt they competed* on equal terms.

Kraftwerk's Saudi hopes

FRANKFURT — Kraftwerk Union (KWU) *the Siemens sub*sidiary hopes to receive the con*tract for building an oil fired* power station and desalination plant on the Gulf in Al Khoba in Saudi Arabia according to a company spokesman. But he said no value can be given since it is not clear what infrastructure has to be built near the power station. However, it *is estimated within the industry* that the contract is worth several billion marks.

The spokesman said that talks with Saudi Arabia on the oil fired five block power station with 100 megawatts per block and on the 220m litre per day desalination plant will be concluded *within about two weeks.*

He added that work is still halted at Kraftwerk's Iranian construction site at Bushire because customs officials are still holding back materials urgently needed to continue the two power stations. He said KWU hopes work will re-start soon in Bushire. It will then return employees to Iran and build up its expatriate work*force to the original 3,500 with* about 6,000 Iranians.

● Kloeckner has been awarded a contract to supply 85,000 tons of welded steel pipe to the Soviet Union, reported to be worth about DM 90m (£24m). Agencies.

US may offer finance to secure Egypt 'phone deal

BY JOHN LLOYD

THE U.S. Government is now *actively considering the financ*ing of the massive Egyptian telecommunications contract, variously estimated to be worth between $1.5 and $3bn over a five-year period.

A U.S. consortium made up *of Western Electric*—the manufacturing arm of the Bell network—General Telephone and Electronics and Continental Telephone had been considered virtually certain *to obtain* the contract last year when its bid followed the completion of a specification for the project drawn up by Continental.

However, the U.S. Government, which together with Saudi Arabia was to have *provided* much of the funding, drew back from risking such a large amount. Since then, a number of other telecommunications companies have been encouraged to make their interest in the project known to the Egyptians.

It now appears that the U.S. may be prepared to put up the funds in order to avoid losing such a large contract in a strategically important area. Mr. Robert J. Gressens, president of General Telephone's *communications* products group, said that "the Government now thinks that funding on its part is necessary."

Mr. Gressens said that the funding should come from three sources — U.S. concessionary *funds, similar funding from the* OPEC countries, especially Saudi Arabia and some funding from Areto, the Egyptian telecommunications authority. He said that the consortium would not fund the network, though *the companies would invest in* plant to manufacture electronic exchanges in Egypt.

Earlier fears on Egypt's part that the U.S. consortium would exercise too much influence over the country's communications systems had now been calmed, Mr. Gressens said. "We have assured the Egyptians that we do not want to be part of Areto."

Dr. *Mohammed* El-Said, director of Egypt's Technical Research Centre, said last month that a number of companies had now made preliminary bids for the contract, though it had not yet gone out to international tender. The companies included International Telephone and Telegraph (ITT), a Japanese consortium led by Nippon Electric and Hitachi, Siemens of West Germany, Ericsson of Sweden, Philips of Holland and CIT Alcatel and Thomsbn CSF of France. Dr. *El-Said told an international* telecommunications conference in Dallas, Texas, that "finance remains the crucial issue."

At the same time, Mr. Gary Lasher, president of Continental's international division, launched a strong attack on the U.S.'s "unhelpful" policies *towards exporters to* Middle East markets. "The U.S. has the largest overseas aid programme in the world—but there is no co-ordination between that programme and the Department of Commerce. Unless we are supported as the *industries of* Japan, Germany, France and others are supported, we shall lose out," he warned.

However, the U.S. Government is to put up $40m of aid to pay for the immediate rehabilitation of *Cairo's tele*communications system. Three *U.S. consultants* are bidding for the contract—A. D. Little, in association with Continental; Unitel and Teleconsult.

Swedes and Finns raise pulp prices

By William Dullforce in Stockholm

THE SWEDISH and Finnish pulp manufacturers are raising their prices of the market pulp they deliver to European cus*tomers by some* $25 a tonne with immediate effect. The increase has been prompted by a similar increase in the prices quoted by U.S. producers.

Svenska Cellulosa (SCA), Sweden's largest pulp and paper company, has confirmed the increase, and other Swedish manufacturers have indicated *that they will follow* suit. Finncell, the Finnish pulp marketing organisation, had announced its increase earlier last week.

The key price, that for bleached *softwood* sulphate pulp, rises by $25 to $435 a tonne. SCA has posted a $20 increase for birchwood pulp to $410 a tonne.

A company spokesman *said* demand for pulp was strong and the market was expected to bear the increase. It should enable the Nordic producers to make a profit on their market pulp in 1979 after two years in which the *Swedish mills alone* are estimated to have made *losses* of around SKr 2bn

Swedish manufacturers stressed, however, that although the dollar prices had reached a new peak, the steady fall in the dollar exchange rate meant that in local currencies their *revenue per* tonne was no higher than that prevailing in the autumn of 1977.

In the first half of 1978 the bleached sulphate price collapsed to $320-330 a tonne as the mills unloaded the heavy stocks they *had built up in an* effort to maintain prices. From the third quarter of last year the price has been raised in four stages to today's new level.

Italians to build Soviet tyre plants

THE TURIN-BASED Fata Industrial Group has won a contract worth L120bn ($140m) from the Soviet Union in a *turnkey contract to build* four modern, highly-automated tyre manufacturing plants in *the* USSR, Rupert Cornwell writes from Rome.

The deal was *concluded* during Soviet-Italian trade talks in Moscow. It will be financed out of existing lines of credit between the Soviet Union and various European countries in which subsidiaries *of the Fata group,* which are to be involved in the contract, currently operate.

Algerian plant

Kawasaki Heavy Industries said it and Marubeni Corporation had *jointly received* a Y50bn (£126m) order from Algeria's state-run STE Nationalise des Materiaux de Construction for a cement plant, Reuter reports. The plant, with an annual capacity of about 1m tonnes, will be built at Tebessa, about 800 km east of Algiers, by 1982.

Peking loan talks

BankAmerica's president, Mr. A. W. Clausen, is in Peking holding talks this week on a major financing deal with China, banking sources said in Tokyo, according to Reuter. If the deal goes ahead as planned, it will be announced on March 14.

UK mission

A *London Chamber of* Commerce and Industry mission is to leave London on March 22 for a 19-day tour of China's major industrial cities.

CBI claims winter strikes delayed economic upturn

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

RECENT STRIKES have severely disrupted business activity and delayed economic recovery in the West Midlands, according to a survey conducted by the regional office of the Confederation of British Industry.

Companies reported a "significant" setback in home demand, continuing pressure on exports, and a fall in the use of production capacity. Blame for the deterioration is put on disruption caused by the strikes of road haulage and petrol tanker drivers.

Mr. Steve Rankin, CBI regional director, said last night that the upturn in activity, of which there were signs towards the end of last year, would now be delayed. He expressed concern that the after-effects of the disputes, particularly shortages of raw materials, might continue for some months.

The survey showed that export orders were proving difficult, partly because of the strength of sterling and increasing competition in world markets.

Company liquidity continued to deteriorate and managements reported growing pressure on wages. There are fears that some workers who have already settled within the 5 per cent Government guidelines might now seek to re-open negotiations in view of subsequent settlements.

The one bright spot in the survey was the indication of a slight increase in confidence and in planned investment.

However, the CBI pointed out that this improvement was from a very low level.

West Midlands Survey, Pages 19-26

Job losses of 45,000 'caused by road cuts'

By Lynton McLain

ALMOST a third of the jobs in the private sector of road building have been lost over the past five years through Government cuts in the road programme, the British Road Federation said yesterday.

The cuts cost 45,000 jobs in the construction industry. More than 37,000 were in the private sector and the balance were local authority jobs.

The federation said that 10,000 jobs had been lost as a direct result of Government underspending on the road programme. The Government had failed to spend an annual average of £100m of its road budget for the past three years.

A survey showed that in the five years to 1978 road spending fel by 30 per cent and employment by 21 per cent. Productivity in the road building industry had fallen over the period.

Mining contracting company sold for £1m

BY JOHN LLOYD

THE ARC Construction division of Consolidated Goldfield's Amey Roadstone subsidiary has bought the Barnsley-based open cast mining contracting company of H. J. Rorke for £1m.

The acquisition marks Amey's first move into open cast mining in the UK, although Consolidated has open cast sites in South Africa, Australia and the U.S.

Mr. Neil Ashley, the managing director of ARC, said yesterday that the growth in open cast mining projected by the National Coal Board — from 13.3m tonnes last year to 15m tonnes in 1982-83—means that the sector would be increasingly profitable.

H. J. Rorke, which showed a turnover last year of £2.5m, is a family company founded in 1950. It employs 130 workers, and operates two sites, one in Durham and one in North Wales.

Mr. Tony Riall, who will remain as Rorke's managing director, said the company required more resources than it possessed to manage the increasingly large projects which the Coal Board was offering to contractors.

"The sites are getting bigger and the time taken on the contracts is getting shorter. You need larger and larger equipment, and we haven't got it at the moment."

Mr. Ashley said that Amey's earthmoving equipment and civil engineering skills could be used in open cast mining, and that Rorke would be "used as a base for further expansion

Amey's diversification into open cast mining in the UK is the reverse of a process which is gaining momentum.

A number of major UK open cast mining contractors—Taylor Woodrow, Murphy, Shand and Crouch—have either recently acquired or are about to acquire substantial sites in the U.S.

Taylor Woodrow has just begun coaling on a large, 1m tonne-a-year site in Kentucky, and expects to announce another acquisition shortly; while Crouch has recently bought a 20,000 acre site in Pennsylvania

Murphy, a subsidiary of British Electric Traction, is expected to make an announcement shortly on a series of purchases, possibly in association with another UK civil civil engineering company.

Accidents 'not caused by size of concerns'

By David Fishlock, Science Editor

INCREASING SIZE or complexity of engineering projects is not a direct cause of failures, an engineer has concluded after analysing 13 major industrial accidents or failures in Britain.

Professor S. H. Wearne, professor of technological management at the University of Bradford, told the Institution of Mechanical Engineers in London last night that not one of the 13 accidents had been caused by a previously unknown physical phenomenon occurring without prior warning.

The 13 accidents included the cyclohexane explosion of a chemical plant at Flixborough in 1974, the fire at the Summerland leisure centre in the Isle of Man in 1973, the methane explosion at Houghton Main colliery in 1975, and the Aberfan coal tip slippage in 1966.

Professor Wearne had recommendations to offer for managers, engineers and institutions involved in major engineering projects. For managers, he concluded that any divisions of responsibilities within an organisation or between organisations was a potential source of errors or of failures to take action. All activities on a project should be co-ordinated by one person, he said.

New company to handle Crown House overseas

FINANCIAL TIMES REPORTER

THE CROWN HOUSE group of London announced yesterday that it is to form a new subsidiary company to handle all its overseas engineering activities.

The new company, called Crown House Engineering International, will take effect from April 1.

At present Crown House Engineering handles all of Crown House's activity in electrical and mechanical services contracting within the construction industry. After reorganisation it will continue responsibility for all contracts in the UK.

Both companies will remain wholly-owned subsidiaries of Crown House, but the international company will own the subsidiary and associated companies operating outside the UK.

The worldwide turnover of the engineering company is about £75m, of which about 20 per cent is overseas.

More plastics

CHEMIDUS WAVIN is to spend £5m in the next three years on expanding its plastics factory at Brandon, Co. Durham, creating 75 jobs.

Furniture deliveries fall

BY JAMES McDONALD

DELIVERIES of domestic furniture in January were about 10 per cent less than expected as a result of the road haulage dispute, according to Department of Industry statistics published yesterday.

The provisional estimate of £78.4m worth of deliveries at current prices, gives a seasonally adjusted index of deliveries for January of 1979, compared with 111 in December (1975=100). The average for the three months November to January, at 106 was 4.5 per cent lower than the revised figure for the previous three months but 2.8 per cent higher than in the same period 12 months earlier.

Orders on hand in January, at a provisional index figure of 81, were 4.7 per cent lower than in December. For the three months November to January the average of 84 was 5.1 per cent higher than in the previous three months and 24.2 per cent higher than the corresponding period a year before.

'Fund public sector pensions in advance'

BY EAMONN FINGLETON

PUBLIC SECTOR pensions should be funded in advance rather than on a "pay-as-you-go" basis out of current revenue, the Consultative Committee on Accountancy Bodies urged yesterday.

In evidence to Sir Harold Wilson's committee on the functioning of the City, the consultative committee argued against the Government Actuary's view that, as Government accounts operate mostly on a cash basis, a pay-as-you-go approach is appropriate for the public sector.

The consultative committee said that funding in advance would provide more security for workers, show true labour costs and impose desirable financial discipline on public bodies.

Ministry asked to build £45m Peterborough port

THE GOVERNMENT has been asked to spend £45m on establishing an inland port at Peterborough.

The city council is approaching the Department of the Environment for a detailed study of the project, despite a report from the British Waterways Board saying that although an inland port was feasible on engineering grounds, there was no prospect of an acceptable commercial rate of return on the large investment involved.

The city is 20 miles inland, along the River Nene, and the possibility of attracting seaborne trade is being investigated because of the Government's overspill expansion programme, which will push the population up to 160,000 by 1985.

The choice of Peterborough has been made in preference to expanding existing dock facilities at Wisbech, 12 miles downstream, to serve the city. This would also have meant improvements on the main A48 to speed up road transport between the two places.

Bromley 'in default' on comprehensives

By Michael Dixon, Education Correspondent

THE GOVERNMENT yesterday acted to prevent Bromley, in Kent, from joining other Conservative-controlled education authorities which have managed to delay the start of fully comprehensive schooling until after a General Election.

Mrs. Shirley Williams, Secretary for Education and Science, declared Bromley in default of its statutory duty because it has published notices that its four remaining grammar schools will cease selecting pupils by ability in September 1980, instead of this autumn as Mrs. Williams had directed.

British Steel buys plants

FINANCIAL TIMES REPORTER

The British Steel Corporation has bought four factory units next to the closed East Moors steelworks at Cardiff in a bid to attract employment to the area.

The purchase is the first to be concluded in Cardiff by BSC (Industry), the corporation subsidiary charged with attracting new jobs to areas hit by steel closures, though it has bought similar units in Ebbw Vale.

East Moors closed last April, as part of the corporation's cost-cutting programme, with the overnight loss of some 3,000 jobs.

Jobs plea to Welsh employers

SOME 1,100 of last year's Welsh school-leavers—more than half of them girls—were still registered as unemployed in February, Mr. Alec Jones, Under-secretary for Wales, said in Cardiff yesterday.

Opening a Welsh Equal Opportunities Commission office, Mr. Jones appealed to employers to ensure all of them were offered jobs or places in the youth opportunities programme before 1979

Continental buyers lead demand for ceramics

SALEROOM

BY ANTONY THORNCROFT

A PAIR of Sevres pattern-oviform vases sold for £10,000, plus the 10.8 per cent buyer's premium, at Christie's yesterday to Epoque, the Belgian dealers, in a ceramics auction which totalled £129,447. A Continental collector gave £5,500 for a pair of vases decorated by Vernet and £4,000 for a massive single ormolu mounted vase decorated by Axante.

At Sotheby's printed books brought in £57,227, with top prices of £3,200, way above forecast for "Feu d'Artifice," a collection of 98 engraved plates of the 17th and early 18ths centuries, and £2,600 for a first edition of Martin Luther's "Passional Christi und Antichristi," with 26 large woodcuts.

Export licences have been withheld for three months on a number of antique firearms, sold at auction recently. This is to enable museums and other public collections in the UK time to raise the money to save them. The Reviewing Committee on the Export of Works of Art made the recommendation to Lord Donaldson, Minister for the Arts, on the advice of the Master of the Armories at the Tower of London.

The items covered consist of a pair of presentation Scottish pistols by Murdoch, given to the Duke of Clarence, priced at £50,000; a pair of English double-barrelled flintlock pistols by Harman Barne, made around 1650, and valued at £30,000; a set of two pairs of English pistols by John Manton, with accescsories, made around 1804, and priced at £30,000; an English repeating pistol of around 1800 by H. W. Mortimer (£20,000); a double-barrelled percussion gun made by Le Page of Paris in 1860 (£25,000); and an English 8 shot revolving flint pistol by T. Annely, dated around 1700 and priced at £18,000.

UK NEWS

Healey and CBI to discuss pay deals

By John Elliott, Industrial Editor

BRITAIN'S economic prospects for the coming year and the reform of the country's pay bargaining system are to be discussed by Mr. Denis Healey, Chancellor of the Exchequer, and leaders of the Confederation of British Industry tomorrow.

This will be the Confederation's first meeting with the Chancellor on pay bargaining since the Government signed its concordat with the TUC last month.

The industrialists will urge the Chancellor to set up a broader system of annual economic assessment than that planned at present. They want an independent assessment body, possibly linked with a Parliamentary Select Committee, which would operate in public and make annual recommendations on wages and associated matters.

They are therefore not willing to join the TUC in private tripartite talks with the Government although they do not object to the Government's having separate talks with the CBI itself and the TUC.

The meeting will form part of the limited economic assessment that the Government plans to conduct with both sides of industry during the coming weeks. It is not yet clear whether it will be possible to complete this assessment before the Budget on April 3.

The talks are to be continued on Friday when Mr. Healey will

BOC gas price curb costs £3m in 1979

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

BOC WILL forfeit £3m in additional revenue and profit this year as a result of the Price Commission's recommendation that the prices of its industrial gases be frozen for a year.

In a letter to senior managers, Sir Leslie Smith, BOC chairman, describes the Price Commission as "an enemy capable of inflicting great harm." Sir Leslie said yesterday that the report of the Price Commission, which was published on March 1, had caused "a great deal of resentment and feeling that we have been unjustly treated." He claimed that it was already being used against the company by customers.

Sir Leslie lists the mistakes that he believes his company made in dealing with the Price Commission. The first was to believe that "we had nothing to fear."

"It is true that productivity agreements reached at the end of 1977 had not been effective. (They had been based on an assumed expansion of the market which did not occur.) But both the 1977 and 1978 gases wage settlements, if not formally approved by various Ministers, were at least reached with their knowledge."

Secondly, management was instructed to be completely open with the Commission. Problem areas were identified to the Commission, only to find them interpreted as a "need for an urgent programme of cost reduction in many areas" and used to deny the company a price increase.

Arbiter

Thirdly, the belief that the data would be used fairly and objectively. Sir Leslie cites the case of the 30,000 gas cylinders lost each year, which the Commission said cost the company £1.7m. But, says Sir Leslie, this ignores the fact that 26,000 are recovered each year.

The letter repeats the view put by its accountants, Coopers and Lybrand, that the cost of following the Price Commission's recommendations would be to reduce net revenue by £500,000 in 1978-79.

Fourthly, the Price Commission seems to have set itself up as "an arbiter of corporate efficiency in the UK," and "it is believed apparently that a three months investigation by a group of people knowing little about the business (not their fault) is sufficient basis for such a claim."

Sir Leslie accuses the Commission of reversing the company's policy of emphasising the need to invest money and management resources for growth in the longer term, "by insisting that our resources are structured to meet only the short-term need, and by denying us the ability to recoup the additional costs forced upon us by inflation."

The report has also damaged the company's credibility, says the letter, while "our multinational competitors (all of whom will now have copies of the report in their hands) will make full use of it to our detriment."

More will fly from Gatwick on holiday

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS is to increase its flights to some Spanish and Portuguese holiday resorts from April 1, and will transfer them from Heathrow to Gatwick.

Traffic to the destinations involved—Malaga, Alicante, Faro, Palma and Gibraltar—is growing and the Department of Trade wants more flights from Gatwick to ease congestion at Heathrow.

British Airways has for many years used Gatwick for its holiday charter flights, through its subsidiary British Airtours, but has kept its scheduled flights at Heathrow even though many carry nothing but holiday traffic.

The flights now to be moved are called scheduled flights, although they go to primarily holiday destinations. The frequency to Malaga will go up from two to four flights a week, and to Alicante and Faro from one to two a week. Frequency to Palma will rise from two to three flights a week.

All British Airways flights to the main business destinations in Spain and Portugal will continue to operate from Heathrow.

The move should go some way towards placating Iberia, the Spanish airline, and TAP, of Portugal, who say they cannot be expected to move out of Heathrow to Gatwick if British Airways does not also transfer. Otherwise, they claim, they would be at a competitive disadvantage.

Both the Spanish and Portuguese airlines recently held discussions with the Department of Trade on the possibilities of moving to Gatwick, but so far no decisions have been taken.

● Air Anglia has been awarded a licence to fly scheduled services between Stansted (Essex) and Brussels. Using 44-seat Fokker F-27 airliners, it plans two flights each way daily. The starting date has yet to be announced.

Shipping leaders plan better deal for Third World

BY LYNTON McLAIN

UNITED NATIONS plans to ban the use of flags of convenience for shipping and to implement cargo sharing between developed and developing countries are to be discussed at a meeting of world shipowners in Bath tomorrow.

The forum is the third World Shipping Conference of the International Chamber of Commerce.

The debate will centre on a series of tough recommendations from the UN Conference on Trade and Development (UNCTAD) designed to give developing nations a greater and more balanced share of world shipping trade. The measures will be debated by UNCTAD in Manila in May.

Developing countries of the third world export 61 per cent of world seaborne cargoes, but they own less than 8 per cent of the world fleet. The disparity is marked particularly in the trade in bulk commodities. Here the developing nations export 90 per cent of tanker cargoes and over a third of dry bulk cargoes, but they own less than 6 per cent of the world tanker and bulk carrier fleet.

The rest of the trade is carried by fleets of the developed nations and by countries which operate open registries. These enable shipowners to register vessels under "flags of convenience" without necessarily giving the countries which provide the flags or the labour a balanced share of trade.

The traditional maritime nations of the developed world have accepted the need for change and have conceded the right of the third world to share in regular services.

But UNCTAD wants to see the changes taken further with the aim of restricting and ultimately phasing out completely flags of convenience operations.

The United Nations has called for a "comprehensive set of measures" which would recognise the rights of developing nations to a balanced share in the carriage of bulk cargoes generated by their own trade.

The Bath conference lasts until Friday.

Shore unyielding on house sales

BY PAUL TAYLOR

MR. PETER SHORE, Environment Secretary, refused to make any major concessions on the restriction of council house sales when he met local authority association representatives yesterday. Instead he agreed to examine the need for exceptions in special cases.

Mr. Shore agreed to the meeting to clarify the position following his controversial Commons statement restricting the "indiscriminate" sale of council houses.

He told the local authority leaders that he was acting because of growing evidence that the general consent to council house sales was being abused.

He said his proposed amendments were to prevent the sale of newly completed council dwellings built for renting, to prevent the run down of council housing stocks by the sale of empty dwellings available for renting and to stop the system of offering tenants low price options for future sales.

Answering criticisms from Mr. Horace Cutler, leader of the Greater London Council, that his statement could halt the Shore said that less than 300 "homesteading scheme" Mr. properties had been sold in this way compared with sales of about 5,000 other GLC properties and added that he could see no difficulty in making special arrangements to let genuine homesteading continue.

It is thought that the local authority associations sought permission from Mr. Shore to ease the restrictions on council house sales to allow council tenants of two years standing to buy council homes other than the one they lived in. This suggestion was however rejected by Mr. Shore.

Mr. Shore is believed to have agreed to examine the specific problems raised by the local authorities and in particular to study the problem facing prospective purchasers.

Following the meeting Mr. Frank Bushell, housing chairman of the Association of District Councils said he still hoped Mr. Shore would be persuaded to "have second thoughts."

Methven backs share ownership for workers

BY TIM DICKSON

A CALL for wider share ownership by employees in British industry was made yesterday by Sir John Methven, director-general of the CBI. One way to prevent alienation among men and women on the shop floor, he said, was to give them a personal stake in their company.

However, Sir John criticised trade union efforts to gain more control in the corporate sector. "As far as I'm concerned, this is not on. Let them concentrate on their traditional role of looking after the financial welfare of their members. We are not going to make them a present of the board room as well," he told a conference organised by the Wider Share Ownership Council.

Sir John stressed that schemes to encourage employees to own shares should only be part of a wider policy of improving working relationships. "The way to meet nationalisation is to convince those who work for us that their prosperity lies in a flourishing private sector," he said.

Mr. Harold Lever, Chancellor of the Duchy of Lancaster, and the Government's spokesman on small businesses, said he had always seen private sector achievements as a necessary precondition for social objectives.

Dr. George Copeman, a vice-chairman of the council, and a consultant advising companies on employee share schemes, said two major British companies were looking at a new scheme, based on principles widely adopted in the U.S. The scheme is apparently practical under last year's Finance Act, which has already led to the setting up of a variety of employee share arrangements.

In this type of profit-sharing, money is invested in company shares, which the employee has to leave with trustees for five years.

The company's contribution, which depends on the level of profits, is shared between the participants in proportion to their own contributions and also invested in shares of the company.

EEC export curb to meet ferrous scrap shortage

BY JOHN LLOYD

A SHORTAGE of ferrous scrap for steel mills, particularly in the UK, has led to export restrictions being placed on traders within the European Community.

From April 1 to June 30, exports of scrap from the EEC to third countries will be limited to 60,000 tonnes, of which only 3,000 tonnes will be high-grade scrap—the type now most scarce.

Licences for the export of low-grade scrap will generally be issued to all those who can show firm orders. However, exporters of high-grade scrap will only receive licences if they exported more than 70,000 tonnes last year, and only for amounts above 500 tonnes.

Applicants will be required to provide documentary evidence of firm orders, and licences will be issued in proportion to the amounts exported in 1978.

Chevette sales

THE SOCIETY of Motor Manufacturers and Traders yesterday issued a correction of its statistics on UK new car registrations in February. The Vauxhall Chevette was omitted from the "top ten" car sales chart, published earlier this week. This model enjoyed sales of 4,325 during February and was the sixth best seller.

Turnbull to take over at Chrysler UK

By Arthur Smith, Midlands Correspondent

MR. GEORGE LACY, managing director of Chrysler UK since October, 1976, is expected to return to the U.S. next month to take up a senior appointment with Chrysler Corporation.

Mr. Lacy will be making way for Mr. George Turnbull, who takes over full executive responsibilities in early April.

Mr. Turnbull, a former managing director of British Leyland, was appointed chairman of Chrysler UK in January following acquisition of the company's European operations by PSA Peugeot-Citroen.

Healey's view on UK exports

THE REPORT on the front page of yesterday's Financial Times on the deterioration in the competitive position of British goods appeared in a shortened form which gave a distorted impression of the views of Mr. Denis Healey, the Chancellor of the Exchequer.

It should have read that Mr. Healey has repeatedly expressed scepticism about the alleged relationship between a declining exchange rate and improvements in export growth. He shares the commitment of Mr. Gordon Richardson, the Governor of the Bank of England, to maintaining a stable sterling exchange rate.

CONTRACTS AND TENDERS

Investment 'must be increased'

By Paul Taylor

THE GOVERNMENT must cut day-to-day expenditure and not long-term capital expenditure, Mr. Jack Seeley, chairman of the Federation of Civil Engineering Contractors said yesterday.

Repeating a common theme among the construction industry Mr. Seeley told the federation's South East section annual lunch in London that investment in capital projects must be increased while expenditure on "over-government" should be cut.

He told representatives from over 50 large civil engineering companies that for years the Government had refused to face reality by putting its own services before the needs of the country.

In an attack on the present round of public sector wage settlements he said the Government was "buying peace" by endorsing settlements above its own estimates of what should be the correct level.

Mr. Seeley urged the Government to resist the temptation to compensate for excessive wage increases by cutting capital spending, which he said would create yet more unemployment in the private wealth-creating sector.

Following five years of capital spending cuts roads were cracking up because of maintenance neglect and the sewerage system was on the brink of collapse, he said.

Capital spending on the nation's vital infrastructure has been hit again and again, said Mr. Seeley but now Mr. Healey must be told "enough is enough."

Postal links with Iran back to normal

BY JOHN LLOYD

NORMAL mail services to Iran were resumed yesterday and at the same time the Post Office said that telecommunications services were generally running normally as well.

Air-mail letters have not been accepted by the Post Office since February 7, while surface mail was stopped on February 19.

About 28,000 letters and 900 parcels have been held up over the period.

Telephone, telex and telegram services have been progressively disrupted since November 22. The Post Office said that at certain times, there had been "very little chance" of placing a call or sending a telex, and telegrams were only accepted at the sender's risk.

However, international direct dialling between the UK and Tehran has since improved greatly, automatic telex links are largely restored and telegrams are accepted once more on a normal basis.

'Pay chemists for advice'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE GOVERNMENT should pay pharmacists for the advice they give to the public on minor ailments, says a report commissioned by the National Consumer Council based on a survey of 600 people in North London and West Cumbria. Over 80 per cent said they asked the advice of local chemists on health problems.

The Pharmaceutical Services Negotiating Committee, which represents the 9,500 pharmacists in England and Wales, welcomed the report. The committee is pressing for abolition of the present complex system of working out pharmacists' pay and introduction of a basic practice allowance in the region of £6,000 a year. It would include an element for the medical advice pharmacists provide.

The committee also wants pharmacists to be paid a percentage of the cost of the drugs they dispense.

This month an independent panel of assessment is to meet to look into the whole question of the way pharmacists are paid. The panel is due to report within three months.

Access to Primary Care; Research Paper No. 6; Royal Commission on the National Health Service, SO, £1.50.

Bankruptcy advertising limited

AMENDMENTS to the Companies (Winding up) Rules, which come into force in England and Wales from April 1 decree that petitions will need to be advertised in future only in the London Gazette. This will deprive newspapers of a traditional source of revenue.

Petitions will have to be served at least seven clear days before advertisement, and the advertisement will have to appear at least seven clear days before the hearing.

Announcing the changes in the High Court yesterday, Mr. Justice Vinelott said they were intended to reduce petition expenses and speed up and simplify the work of the court.

Hitherto petitioners have been required to advertise in the London Gazette and in a national paper, if the company's registered office is within 10 miles of the Law Courts in the Strand, or in a local paper outside the area. The expense of advertisements placed a burden on petitioning creditors where the assets of a company compulsorily wound up are negligible.

LEGAL NOTICE

No. 00634 of 1979

In the HIGH COURT OF JUSTICE *Chancery Division Companies Court.* In the Matter of KEM-STRIP LIMITED and in the Matter of the Companies Act 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 23rd day of February 1979, presented to the said Court by THE LONDON BOROUGH OF HAMMERSMITH, of Hammersmith House (B.O.C.) Building, Blacks Road, London W6 9EG, and that the said *Petition is directed* to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 26th day of March 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the *time* of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on *payment of the regulated* charge for the same.

SHARPE PRITCHARD & CO.,
109 Kingsway,
London WC2B 6PZ.
Ref. 14RR.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the abovenamed notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than *four o'clock in the* afternoon of the 23rd day of March 1979.

PERSONAL

BOND DRAWING

CITY OF VALPARAISO
5½% WATERBOARD LOAN 1912

NOTICE IS HEREBY GIVEN that in carrying out the operation of the Sinking Fund of 1st April, 1979, in respect of the above Loan, the undermentioned Bonds *amounting to £1,100.00 were this day* drawn by lot by EDWIN BRUCE WALKER (of Messrs. De Pinna, Scorers and John Venn), Notary Public, for repayment at par on the 1st April, 1979 from which date all interest thereon will cease:

11 Bonds for £100 each

647	652	677	1446
1617	2216	2309	2325
2334	2358	2361	

RECAPITULATION

11 Bonds for £100 each .. £1,100.00

The above-mentioned Bonds with Coupon No. 135 and subsequent coupons attached may be lodged for repayment on or after 2nd April, 1979, at the Offices of J. Henry Schroder Wagg & Co. Limited, Coupon Department, 120 Cheapside, London, EC2, between the hours of ten and two o'clock.

London.
6th March, 1979.

CONTRACTS

Davy wins £3.8m plant order

The process engineering division of DAVY INTERNATIONAL (MINERALS AND METALS) has been awarded a £3.8m turnkey contract by Commonwealth Smelting for a plant to recover copper and lead from dross, a residue formed in the Imperial Smelting Furnace during zinc production.

*

MARCONI AVIONICS (a GEC company) is to supply five major radio systems for Boeing Vertol HC-Mk 1 Chinook helicopters, of which 33 have been ordered for the Royal Air Force. Orders totalling £1½m have been placed with Marconi Avionics by the Ministry of Defence. The radio systems will aid the Chinook's effectiveness in logistics operations, troop movement and casualty evacuation.

*

Elliot Group of Peterborough's subsidiary, MEDWAY BUILDINGS (SCOTLAND) has been awarded a £1.5m contract by the South of Scotland Electricity Board for the construction village at the Torness nuclear power station site.

*

Work will commence shortly on the second phase of a three-year programme for the strengthening of the Preston By-Pass section of M6. The £1.35m contract, supervised by the Lancashire County Council as agents for the Department of Transport, will be carried out by TARMAC ROADSTONE HOLDINGS. Although the contract will involve major works between Junction 29 at Bamber Bridge and Junction 31 at Samlesbury, there will be some operations north of Samlesbury Bridge.

*

PLESSEY AEROSPACE has won contracts initially worth £1m as the main supplier of the generation system and fuel boost pumps for the new British Aerospace 146 feeder jet, while Plessey Radar has been awarded a contract, worth more than £1m to supply AWS-4 surveillance radar systems for the new coastguard patrol ships now under construction for the Royal Norwegian Navy.

*

Equipment worth nearly £500,000 has been ordered from QUALTER HALL AND CO., a member of the Matthew Hall Group of Companies. A complete system for solid waste handling is to be supplied.

TUC seeks to mend hospital unions' rift

BY PAULINE CLARK, LABOUR STAFF

HE TUC yesterday stepped ıto the health service pay disute in its first major bid to try solve serious differences etween the unions involved.

The Government's latest 9 per ent offer, along with a comarability study and £1 on ccount, has been accepted by a oting majority on both the nion side of the hospital ancilry workers and the ambulanceıen's committee.

The National Union of Public mployees, however, has ejected the offer after a ballot f members for both groups, and lans this week to increase inustrial action in hospital serices throughout the country.

Leaders of all the main nion involved, including Mr. lan Fisher, general secretary NUPE, met at the TUC to iscuss the problem in what ere described as "informal lks."

Although NUPE claims to present more hospital ancilry workers than any other nion—150,000 out of a total of 250.000—it could be outvoted 12-4 on the negotiating body for the group. This also includes the Confederation of Health Service Employees, the General and Municipal Workers Union and the Transport and General Workers Union, all of which last week announced ballot results in favour of accepting the offer.

But NUPE claimed yesterday that most union members in the health service were against acceptance. It intended to continue selective industrial action until an improved offer was made.

It is demanding a general pay improvement, but in particular it is dissatisfied with the £1 on account in the present package because this would not go to part-timers—a majority of NUPE members.

The union added that there was a serious discrepancy in the amount of supplementary payments consolidated into basic pay between local government workers and hospital ancillaries.

Between 100 and 150 more hospitals were said to have been hit by fresh NUPE action yesterday and further plans were made for three-day or indefinite strikes by hospital ancillary and laundry workers.

As part of the aim to reduce further the service to nonemergency patients, plans were made for action by hospital laundry drivers, hospital porters and domestic staff in Wiltshire, Northampton, Derby, Leicestershire, Leeds and Southampton.

The union claimed it was having difficulty in dissuading members in South Manchester from embarking on an all-out strike from Wednesday. In Edinburg, 15 hospital could be affected by a call at a meeting of 3,000 hospital workers today for an all-out strike.

● Pay talks covering 420,000 manual workers in the gas industry were resumed yesterday. Unions, which have tabled a claim for a 20 per cent pay rise last month turned down an 8 per cent offer.

Unions hard-pressed to meet stricter rules on auditing

BY CHRISTIAN TYLER, LABOUR EDITOR

UIDELINES for the auditing trade union funds prepared the accountancy profession e worrying the TUC. Some ıions, particularly those whose anches hold large balances, e unlikely to be able to meet e required standard, at least the short run.

The guidelines were stigated by accountancy ganisations because their mbers complained of the ficulty of meeting statutory quirements in respect of trade ion accounts, and they have en welcomed by Mr. John wards, the Certification icer, part of whose pob it to see that unions make ular and full annual urns.

Accountants have been partiarly concerned by wideead failure to report branch ıds, which has compelled ditors to qualify their audits in many cases. In some decentralised unions, branches hold very large balances.

The law says that sums of over £5,000 must be professionally audited. The printing unions could be in particular difficulty, while others, like the Electrical and Plumbing Trades Union, keep full records at head office of all funds.

To comply with the accountants' interpretation of the 1974 Trade Union and Labour Relations Act would mean rule changes for many unions, for instance to speed up the reporting process. It could also, according to the TUC, mean a considerable increase in administrative effort, and possibility an expensive increase in the use of professional auditors.

But the TUC is anxious not to appear to be resisting the legal requirements.

The accountants say they have found no evidence of any malpractice in trade union branches. They are, however, worried about the supervision of non-union money that branches often hold, such as holiday club or burial funds.

TUC leaders have voiced their concern to the Certification Officer, and he is likely to take a lenient view of those unions in greatest difficulty, provided they show themselves willing to reform their procedures.

The auditing practices committee of the Consultative Committee of Accountancy Bodies is clearing its report with accountancy organisations. Publication of its guidelines is expected next month.

committee itself had difficulty interpreting the law, inherited from the Conservatives' Industrial Relations Act, and found it to be badly drafted in many places.

Clerical union chiefs urge national pact on pay rises

BY OUR LABOUR EDITOR

STRONG SUPPORT for Government and TUC efforts to influence pay bargaining by developing a national agreement on wage rises has come from the Association of Professional, Executive, Clerical and Computer Staff (APEX).

Leaders of this traditionally moderate clerical union will be urging their annual delegate conference in Blackpool at the end of this month to vote for a move away from free collective bargaining.

The union's conference agenda, the first of the new season to be published, contains two motions supporting a national framwork deal on pay between the TUC and the Government. But three other motions say that all interference in wage bargaining should be removed.

A policy document from the union's executive council says the present wage round "must give cause for doubt as to the extent to which 'responsible' collective bargaining has been exercised" in fulfilment of last September's TUC policy resolution on pay. It asserts that pay should now be taken out of the party political arena.

It attacks the way in which it says, the "going rate" has been publicised. There had always been pay-level comparisons between groups, the document says, but now the comparison is between percentage pay increases.

"It should be clear that the argument about whether income policies *per se* are good or bad is a sterile one. The real argument today is about what is the nature of a policy for incomes, who formulates it and who regulates it."

APEX calls for a body like the old Prices and Incomes Board, to include TUC and CBI representatives, for moves towards a common negotiating date, new comparability and arbitration machinery.

The paper goes further than the recent TUC-Government statement in this respect.

Talks now going on between Ministers and TUC leaders about the mechanics of an annual "consensus" on wages are designed to influence the summer round of union conferences where pay demands and economic policy for the following year are traditionally drawn up.

GEC redundancies at Stafford withdrawn

HUNDREDS of redundancy notices to GEC workers in Stafford were withdrawn yesterday following a mass walk-out by nearly 5,000 workers which brought the factory to a standstill.

The men stopped work because of the death last week of Mr. Dick Jenkinson, a foreman, after he received a letter warning that he might lose his job after more than 40 years' service.

When the men returned yesterday, union leaders were immediately called to talks with senior management and a joint statement was issued stating that GEC had dropped plans for enforced redundancies.

The return to work was warmly welcomed by Mr. Jenkinson's widow, Joyce, who had earlier pleaded with the men to go back.

Mr. Jenkinson, 55, was found dead with throat injuries last Thursday at his home in Elm Drive, Bradle, Stafford. He was a senior foreman in the switchgear plant, where the company had planned to axe more than 300 jobs.

Mrs. Jenkinson said her husband had been extremely upset by the news. The following day he was found dead in his bathroom with a knife in his hand.

The joint statement by unions and management at GEC said: "The management has stated that it has withdrawn the formal notices of redundancy and the letters warning of possible termination. It has agreed that in the present situation, provided that reasonable progress is being made in the reduction of manpower levels by means of volunteers, there will be no enforced redundancies."

Steel union calls on ACAS to arbitrate

By Philip Bassett, Labour Staff

THE STEEL industry's largest union yesterday renewed its attempt to take a pay claim for 90,000 production workers to arbitration after the British Steel Corporation refused to improve its pay-and-holidays offer worth 9 per cent.

Officials of the Advisory, Conciliation and Arbitration Service will now contact the corporation over the claim. Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, wrote yesterday to Mr. Jim Mortimer, ACAS chairman, formally requesting arbitration.

Mr. Sirs urged that arbitration on the union's claim—which is for increases of 8 per cent, a shorter working week, extra holidays and a further 4½ per cent for past productivity—should be set up "at the earliest possible moment."

Mr. Peter Broxham, British Steel's director of industrial relations, said in talks with the union yesterday that the corporation would consider its request.

Union and corporation formally registered their failure ot agree in the negotiations, which lasetd for less than half an hour. British Steel refused to improve its offer, which the union has already rejected, of 5 per cent with a further 3 per cent in exchange for productivity commitments and 1 per cent for extra holidays.

Closure notice for the Bilston steelworks in Staffordshire is expected to be given at a meeting on Friday between the corporation and the TUC steel committee. The unions will hold an emergency executive meeting on the issue on the same day.

Another threat of rail chaos

By Philip Bassett

TRAIN DRIVERS on British Rail's Southern Region may decide on further unofficial strikes next week if an independent tribunal fails to make its report on a 10 per cent special responsibility claim by the drivers' union ASLEF by the weekend.

The Railway Staff National Tribunal, chaired by Lord McCarthy, lecturer in industrial relations at Nuffield College, Oxford, is expected to make its report next week.

Pit pay rebels may force ballot

BY CHRISTIAN TYLER, LABOUR EDITOR

A PITHEAD ballot on the 9 per cent-plus pay offer to miners began to look inevitable yesterday when further area delegate conferences voted against the offer. The areas which have rejected the deal and demanded a ballot now make up a majority of hourly-paid miners.

Right-wing leaders of the National Union of Mineworkers want a ballot, to prove that the offer is acceptable to the rank-and-file despite its rejection by delegates of the large and traditionally moderate Nottinghamshire coalfield.

Left-wingers on the executive, most of whom voted for further negotiations with the National Coal Board, have insisted on a ballot from the start.

Yesterday the area council for Yorkshire's 65,000 miners repeated its "disappointment" with the offer and called for a ballot. It also said that cash from a settlement should be evenly divided.

Leaders of the Scottish area's 19,000 members repeated their similar decision. But if the attempt by Mr. Joe Gormley, union president, at Friday's national executive meeting to widen pay differentials is successful, Scotland's two executive members will be allowed to use their discretion about distribution.

The North Derbyshire area council, representing 11,000 miners, yesterday decided to oppose a deal on present terms and asked for a special national conference and ballot. Mr. Peter Heathfield, area secretary, said that Nottinghamshire's rejection at the weekend "seems to have put the cat among the pigeons."

Times offers jobs back to 3,000

BY ALAN PIKE, LABOUR CORRESPONDENT

TIMES NEWSPAPERS yesterday sent letters, offering their jobs back, to more than 3,000 employees dismissed when publication was suspended last November.

To qualify for re-engagement staff have to report for work by April 2. Reinstatement will become permanent if talks aimed at resuming publication by April 17 are successful. Some employees who have found alternative work since publication was suspended are not expected to return.

Times Newspapers management yesterday met representatives of the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel (NATSOPA) to plan a timetable for the negotiations which will begin this week. Talks with these and other print unions have to produce agreement on company demands for new disputes procedures, improved efficiency and the introduction of new technology.

Although the formula for resuming negotiations is being recommended by the NATSOPA executive it still has to be considered by most of the union's chapels (office union sections) at Times Newspapers and it is not certain that all will accept.

A report commissioned by The Times National Union of Journalists chapel on the possibilities of running Times Newspapers' publications on a co-operative basis was published yesterday. The outline study by Job Ownership, concludes that "Times Newspapers could be converted into one or more co-operatives and could operate efficiently having been so converted."

Customs strike at Holyhead

By Our Labour Staff

CUSTOMS OFFICIALS at Holyhead started a lightning hour strike at 10.30 last night and customs clerical workers at Heathrow Airport were called on to start working to rule as part of the selective industrial action over pay by Britain's two largest Civil Service unions.

The Holyhead strike held up clearance of freight from Dublin and allowed passengers from Eire to the UK without customs check. The Heathrow action is expected to delay import and export clearance.

Ethnic aid plan angers Tories

BY IVOR OWEN

GOVERNMENT proposals to provide special financial aid for the "racially disadvantaged"—mainly in inner city areas—came under heavy fire from right-wing Tory MPs in the Commons last night.

They repeatedly interrupted Mr. Synnmor John, Home Office Minister of State, when he moved the second reading of the Local Government Grants (Ethnic Groups) Bill.

Its provisions are designed to enable £24m a year to be provided for the "racially disadvantaged," defined by Mr. John as mainly those from new Commonwealth countries and Pakistan.

Mr. Alan Clark (C., Plymouth Sutton) was the first of the right-wing critics to ignore the advice of the Opposition from bench to abstain. He announced that he would vote against the second reading.

He maintained that the Bill was asking the House to approve for the first time an open-ended commitment to provide public money for particular sections of the population living side by side, in identical circumstances, with the ordinary run of the people.

The sections of the community to be singled out for preferential treatment were identified in the Bill as "ethnic groups"—a description which virtually everyone understood to mean coloured.

"This is reverse discrimination, which is a most dangerous and insidious principle to introduce into the distribution of public funds and favour."

Mr. Clark said it would now have to be explained that it would be no use for ordinary white working class people—who felt themselves deprived in various different ways—to asking for similar help

"They will certainly be aware of the fact that there is a particular form of discrimination which makes special provision for people simply because they are coloured."

Mr. John explained that the Bill was intended to help groups such as unemployed West Indian youths and other ethnic minorities facing special problems.

"What we have to ensure is that all those who are members of our society are capable of benefiting to the same extent from the services provided by society."

The grants to be paid under the Bill would contribute towards spending designed to remove the disadvantages suffered by ethnic groups by ensuring that local authority services were as effective for those groups as for the rest of the community.

Mr. Ronald Bell (C. Beaconsfield) and Mr. Nicholas Budgen (C. Wolverhampton SW) interrupted the Minister to call for a more detailed explanation of the concept of "racially disadvantaged."

The Minister said: "Racial disadvantage is that disadvantage suffered by people because of their colour or skin or racial or ethnic background, over and above that suffered by the community generally."

Tribune presents Budget demands

By Elinor Goodman

MEMBERS OF Labour's Tribune group yesterday produced a rough shopping list of things they would like to see in the Budget, all based on the assumption that what the economy wants is reflation rather than another dose of the Chancellor's cautious medicine.

The list will be made into Tribune's formal Budget strategy after tomorrow's meeting of the whole Parliamentary Labour Party to discuss the Budget.

At that stage the group will presumably put a figure on the degree of reflation they would like to see, but what is already clear is that they think there is considerable scope for an increase in the public sector borrowing requirement.

The Tribunites recognise that they cannot expect to see much of what items on their list are included in the Budget.

But they presumably hope that the Chancellor will take note of their proposals and possibly endorse one or two them as a way of guaranteeing that this year does not see another alliance of Labour Left-wingers and the Conservatives to defeat the Government on a Budget proposal.

Most of the items favoured by Tribune would stand no chance of being supported by the Tories.

The group would like to see proposals for a new wealth tax, selective import controls and a tax on advertising — possibly limited to promotions for foreign products rather than applied to all advertising, as suggested in the party's manifesto.

Pym boosts Commonwealth ties

BY PHILIP RAWSTORNE

COMMONWEALTH affairs would be given a higher priority by the next Conservative Government, Mr. Francis Pym, shadow foreign secretary, pledged yesterday.

In a speech to the Royal Commonwealth Society in London, Mr. Pym promised a determined effort to strengthen trading links and put more political purpose into the Commonwealth.

Since the Commonwealth Office had been merged with the Foreign Office, many people felt that its affairs had not received the attention they deserved, he said.

A Conservative Government would explore the possibility of reinforcing political ties by appointing a Minister of State with Special Commonwealth responsibilities, who could liaise with similar Ministers in the larger Commonwealth countries.

Mr. Pym said he would also like to see an enhanced role for the Commonwealth Parliamentary Association in strengthening the community of interest and common democratic purpose.

The Commonwealth might be given new impetus also through a boost to its trade, Mr. Pym suggested.

A Commonwealth Trade Fair should be considered as a means of stimulating cooperation and cohesion, he said. If successful it could be repeated.

A nucleus of technical and diplomatic expertise ought to be provided, too, for small Commonwealth states whose need for special help was increasing.

There could be an advisory group, responsible to the Commonwealth Secretariat, specifically tailored to study the problems and provide advice and information.

"Through such a service, the whole Commonwealth would be able to learn what kind of help was needed and take a greater practical interest in the problems of the smaller states," he said.

The Commonwealth Fund for Technical Co-operation should be developed as part of the process of helping the small dependencies now achieving independence to survive and prosper.

Diplomatic representation often presented great problems for such countries, he added.

"The funds are simply not available for the widespread representation that is increasingly important in our more and more complicated world."

The next Conservative Government would encourage Commonwealth countries to develop regional co-operation in areas like South-east Asia, the South Pacific and the Caribbean.

"Britain does have a particular responsibility to try to see to it that, as our remaining dependencies become independent, political and economic vacuums do not develop in the regions or countries concerned," he said.

Advice for Chancellor

THE SCOTTISH National Party yesterday urged Mr. Healey, the Chancellor, to cut income tax, reduce VAT on petrol and increase old age pensions in his April Budget—but only for Scotland.

Mr. Douglas Crawford, the SNP finance spokesman, said that Scotland's economy had different problems and required different solutions from the economy of England.

"These differences become pronounced as the years go by, with the result that the deflationary and tough Budget which the Chancellor of the Exchequer will almost certainly introduce in April will be totally unfair and irrelevant to the needs of Scotland.

Among the SNP proposals, which the Party estimates will cost about £160m in relation to Scotland in the next year, are 1p off the standard rate of income tax, VAT on petrol reduced from 12½ to 8 per cent, and an immediate 10 per cent increase in old age pensions.

Britain to oppose EEC tariff plans

BY OUR PARLIAMENTARY CORRESPONDENT

BRITAIN IS to urge her EEC partners to strongly oppose the tariff concessions demanded by the United States in the paper and board industry, Mr. John Smith, the Trade Secretary, told the Commons yesterday.

But he refused to be rushed into condemnation of the U.S. proposals on textile tariffs which, he said, were still being evaluated.

The threat to the UK paper and board industry from the U.S. proposals was stressed by Mr. Alastair Goodlad (C. Northwich).

Mr. Smith said: "I regard the tariff cuts proposed by the United States as excessive, and I also regard as excessive the extent to which the EEC Commission proposes to commend and accede to them."

He promised that Britain's view would be made very clear at the EEC Foreign Affairs Council meeting on April 2-3.

Mr. Tom Arnold (C., Hazel Grove) questioned the Minister about the effect of the U.S. proposals on the textile industry.

Mr. Smith pointed out that the GATT Tokyo round talks had not yet been completed. The latest reports he had seen were of an interim nature and referred to 2,000 items in the U.S. tariff scale alone.

Labour to stick to manifesto

By Elinor Goodman

LABOUR'S candidates in the European elections will have to sign a pledge which, if it was obeyed to the letter, would make it even more difficult for a pro-Marketeer to stand.

The organisational sub-committee of the party's executive yesterday endorsed 59 candidates put forward by constituency associations — on condition that they gave a firm undertaking not to use the rules of the European Parliament as an excuse for failing to stick to official party policy.

A second undertaking will ensure that any money the European MPs get from the Parliament for research facilities goes straight to Transport House.

This will prevent any move by European MPs to build up their own research empire.

Prospective Labour candidates have already had to sign a promise that they will abide by the party's manifesto for the direct elections on June 7.

Since this includes a threat to withdraw from the Community if fundamental reforms are not met, this should, in theory, have already whittled out any pro-Marketeers.

In fact, a number are still on the list approved by the organisational committee yesterday, though there may be objections when the list comes up for final NEC approval.

Value of car trade stressed

BRITAIN'S motor-car industry needs to maintain its share of the EEC components market as well as preventing further import penetration, Mr. Michael Meacher, Under-Secretary for Trade, emphasised in the Commons yesterday.

The value of components exports was underlined by Mr. John Nott, the Conservative shadow trade minister, who pointed out that they enable Britain to enjoy a substantial surplus with the EEC in trade in the motor-car industry.

He warned that Britain could not expect exports of components to go on increasing in the way they had been if attempts were made to place restrictions on car imports into the UK.

While agreeing that the motor-car industry had a substantial surplus in the balance of trade with the EEC, Mr. Meacher insisted that account needed to be taken of the fact that it had fallen from £900m in 1975-76 to £400m last year.

"This is a very substantial drop and it means that we have to have a strategy which not only holds that position but gets us back to the former position."

Mr. Meacher, who reminded the House that 70 per cent of Britain's car imports were from the EEC, said that imports accounted for 52.3 per cent of new car registrations in February.

Sillars offers devolution solution

BY ELINOR GOODMAN

THE PRIME MINISTER was offered a novel—though not particularly practical—way out of his problems over devolution yesterday by Mr. Jim Sillars, the man who founded the Scottish Labour party, largely in protest at the Government's lack of commitment to a fully-devolved Scotland.

In a letter to Mr. Michael Foot, the Lord President, Mr. Sillars suggested that a modified version of the Scottish Grand Committee of MPs should be asked to debate the issue and make a recommendation to the full House.

The modifications to the committee he had in mind would ensure that it recommended support for the proposed Scottish Assembly, despite the narrow margin in favour shown in the results of the referendum.

The Scottish Grand Committee, which looks at Bills affecting Scotland, is made up of Scottish MPs plus some additional Conservatives who are there to ensure that the balance on the committee reflects the make-up of the full House.

Mr. Sillars suggested that, on this "historic occasion," the Grand Committee's vote should be confined to those representing Scottish constituencies.

Meanwhile, the countervailin pressures on the party leadership were demonstrated again last night.

A delegation of Labour MPs, led by Mr. Eric Moonman, went to see Mr. Foot.

They tried to impress on him the total impracticality of any move to try to persuade Labour backbenchers to vote against repeal of the Order

The narrowness of the Government's options were further demonstrated at a meeting of Conservative backbenchers.

The party's Constitutional Committee agreed with their leader's strategy of refusing to discuss devolution with the other parties before the Government has repealed the Order setting up the proposed assembly.

Bennett report may appear early

PUBLICATION of the Bennett report on allegations of police brutality in Northern Ireland could be brought forward, MPs heard yesterday.

The weekend row, involving allegations by a Northern Ireland police doctor on the TV programme Weekend World, was raised in the Commons yesterday on an emergency question from Opposition spokesman Airey Neave.

Mr. Don Concannon, Ulster Minister, said the programme lacked basic content as well as fair judgment, but there were no plans to complain to the Independent Broadcasting Authority.

Replying to the pressure from all sides, he indicated that the report could be published sooner than within the two weeks which had been indicated.

The report is by a committee appointed by the Government, with Judge H. G. Bennett as chairman, to investigate allegations by Amnesty International against police at the Castlereagh interrogation centre.

Mr. Neave said early publication would be in the best interests of the Royal Ulster Constabulary. Allegations made on television by Dr. Robert Irwin were a calculated attack on the administration of justice and the security forces in Northern Ireland.

The report should be published at once so that, if there were grounds for the allegations, urgent action could be taken by the Government.

Mr. Concannon repeated assurances that the report would be published within the next fortnight, but acknowledged the urgency and hinted that publication could be advanced.

Mr. Mason, the Northern Ireland Secretary, had received the report a few days ago, he said, but would need a little time to study it.

Mr. Concannon told Mr. William Craig (UUUC, E. Belfast) that Dr. Irwin had, in some cases, reported similar findings to those he had reported in the television interview, though "nothing like" the 150 cases that had been mentioned.

For the Liberals, Mr. Clement Freud said that in view of the "total propriety" of the television programme Mr. Mason should have appeared to give his side. Mr. Concannon replied that Mr. Mason had not refused to go on the programme.

Mr. Jock Stallard (Lab, St. Pancras N.) maintained that the programme had done a great service. Its makers should be congratulated for saying what many people had felt—that all was not well with the emergency provisions legislation.

But Mr. John Biggs-Davison (C., Epping Forest) said that in view of the "total impropriety" of the programme it should be considered by the IBA.

Mr. Alex Lyon (Lab, York) said that the Northern Ireland Office had done nothing to encourage the conviction that Dr. Irwin's allegations were being properly investigated. The report should be published quickly.

Mr. George Thomas, the Speaker, later rejected a call by Mr. Craig for an emergency debate on the subject.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MACHINE TOOLS

Worms ground fast and accurately

The TI Matrix 7905 machine for grinding automotive steering worms from the solid

HALVED floor to floor times and elimination of lead, pitch and form errors are attributes of a new all-British worm grinding machine that produces automotive steering worms from the solid.

The TI Matrix 7905 steering worm grinder is the result of a joint development between TI Matrix and Burman and Sons, Kings Norton, Birmingham. Burman makes manual and power steering gear units for car, truck and tractor manufacturers in the UK and overseas.

Following a visit to the U.S. in the mid-70s, Burman engineers approached TI Matrix about developing a machine that could grind open-ended steering worms from the solid. At that time no one in the UK or Europe manufactured such a machine.

Although it had a strong background in finished worm grinding, TI Matrix still had to overcome many problems related to the high rate of metal removal the operation requires—half a cubic inch is removed from each component in 30 seconds.

Replacing automatic screw cutting lathes, the machine grinds open-ended worm shafts for manual steering units. At the moment Burman is grinding straight from solid, hardening, then grinding again. Floor-to-floor time has been reduced from 90 seconds to 45 seconds (actual grinding time is 10 seconds), and significant errors have been eliminated.

Burman will shortly be taking delivery of a second Matrix 7905 with improved characteristics. The new grinder will be used not only on manual steering units but also on Burman's power steering range for trucks and tractors. It incorporates equipment for doing blind-ended worms with the grinding wheel plunging straight into depth without the need for a recess on the component.

Special attention has been paid to the design of the grinding wheel spindle, which is mounted on precision bearings, ensuring the utmost stability under severe grinding conditions.

Matrix 7905 has an infinitely variable workspeed range from 4 to 60 rpm and a wheel speed of up to 66 metres per second. The wheel is diamond-dressed by a single point dresser with automatic infeed compensation.

Machine cycle and wheel dressing functions are both governed by programmable memory controllers.

Other extras include a hood raising mechanism and extra internal coolant return ways. The coolant filtration unit uses positive pressure filtration through a permanent filter. The unit is self-cleaning using an air-operated back wash system. Sludge is removed by electrically operated conveyor.

TI Matrix, POB 39, Coventry CU4 9DA. Coventry 75521.

Moog centre's fast table

TECHNICAL advances in the performance of its new model 3000MC machining centre with Hydra-Path control have been announced by Moog.

Rapid traverse rate in all three axes is increased from 7.5 to 9.00 m/min, which, with exceptional rates of acceleration and deceleration, offers the fastest table movement of any milling and drilling machine on the market, Moog asserts.

In the control system, a novel executive program check makes it possible to test-run every geometrical function in all three axes, including all dimensions, angles and radii, in a total time of less than five seconds. Any error is picked up, and the necessary information is shown up on the CRT, so eliminating time-wasting routines of tracing conflicting programming data, such as centre offset errors, while carrying out a dry run, or while cutting parts.

Hydra-Path is micro-processor based; has a standard 12,000 character memory, 9½ inch display; and 300 characters/second tape reader.

There are standard resident diagnostics, as well as an additional package available as an option, which makes it possible to diagnose and isolate faults at board level.

The machine has a 24-station random selection toolchanger and a 50-4500, 5 hp variable frequency spindle drive, which represents the latest state of the art. The heavy-duty quill is 95mm diameter; and the spindle runs in a computer-designed bearing arrangement.

Moog is at POB 8, Runnings Road, Cheltenham, GL51 9NZ. Telephone 0242 35521.

Precise erosion machine

EXTREME precision, due to the high sensitivity of the work-head servo, will make the Europark 650 spark erosion machine of particular value in the manufacture of mould and press tooling.

The equipment has fail-safe cut-out switches and a display to make adjustment simpler.

Generous tank proportions enable the machine to take components up to 16 x 10 x 8½ inches (405 x 250 x 210 mm) yet both work-head and generator are combined in a unit requiring only 3 x 4 feet in floor area and 6½ feet in height.

The tank opens front and side to give maximum access to the table and the high precision compound slide provides high accuracy coordinate movements.

Controls on the generator include a vernier feed control and a new three-lamp patented monitoring system. A touch indicator provides a visual or audible signal which tells the operator as soon as the electrode has been brought into contact with the workpiece. A reference position can thus be established for depth setting by means of a micrometer head, or for positioning the worktable longitudinally and transversely by means of the handwheels, and the vernier scales.

Output is controlled by push-buttons which allow power to be adjusted in steps of 2½ amps from 0 to 25 amps with five half-amp increments.

In addition, the first 10 amps of the output can be switched to a higher voltage to increase the speed of working, with very low electrode wear. This is especially useful when producing very fine surface finishes or when working on tungsten carbide shapes.

Agemaspark, Lincoln Road, Cressex Industrial Estate, High Wycombe HP12 3TH. High Wycombe 25441.

● POWER

Equipment makers' quest

REPRESENTATIVES of seven large Canadian electrical power equipment producers arrive in London on March 29 at the start of a four-country tour, which includes visits to Kenya, Tanzania and Egypt.

They are interested in contacting UK export organisations, manufacturers, consulting engineers, consortia and contractors active in Europe, East Africa and Egypt. The group is sponsored by the Ontario Ministry of Industry and Tourism (Division of Industry and Trade), Toronto.

The group's aim is to offer either collectively or individually to British organisations a range of products which includes: power cables, high voltage switches, distribution and transmission equipment, switchgear, gas turbine and diesel generating sets.

Members of the group are interested in discussing agency arrangements for sale of their equipment in world markets and appointments for meetings with British businessmen are being handled by the ministry's Business Development Branch, Ontario House, Charles II Street, London SW1Y 4QS (01-930 6454).

● COMPUTERS

Allows room for growth

HONEYWELL has three new models in its Series 60 Level 62 small computers line that give the first-time user a high-performance entry system for under £50,000 purchase (around £1,930 rental per month) and offer an onsite expansion path up to one full megabyte of memory.

The new computers, the X5 range, offer a minimum memory size of 256K-bytes, and the entry-level system would include 80 Megabytes of disc storage, eight communications lines, four terminals, and a 300 lines per minute printer.

At the top end of the new range a 1024K-byte system could have 1200 Megabytes of disc storage with 25 communications lines, and two 1600 line per minute printers.

X5 comprises the Models 62/15, 62/25 and 62/35 and supersedes the existing line of machines; but established users who wish to "grow" their systems within the existing line can do so on-site up to the new maximum of one Megabyte of memory. Level 62 peripherals and software are common to both the earlier and new models.

Honeywell, Great West Road, Brentford, Middx. 01-568 9191.

Aids hotel accounting

CYPHER COMPUTERS and Burroughs Machines have launched an accounting and management system bringing nearer the prospect of computers becoming the rule, rather than the exception, in Britain's hotel industry.

It covers all aspects of hotel front and back office accounting and provides an integrated hotel management package.

Introduction of the hotel system follows two years of investigation with the Aberdeen-based Skean Dhu hotel group which has now successfully installed it.

Designed to run on a Burroughs B800 (disc-based) system, it can run with other larger and smaller systems in Burroughs range—namely the B80 and the B1800. A typical cost for the complete hotel system, including the B800 and associated hardware and software, would be around £80,000, considerably less than any other currently available and comparable system Burroughs asserts. For this reason it should be of interest to all but the smallest hotels and hotel groups.

It uses information keyed in via visual display units installed at all charging points — for example the bar, restaurant or coffee shop. Since the system operates in "real time," as soon as a client incurs any charge in the hotel it is immediately and automatically entered into the system and the account is updated. It thereby ensures that no matter when a client checks out, all charges incurred by him, no matter how recently, will be on his bill which is produced automatically by the system on a printer which could be located at the reception or cashier's desk.

Further from Burroughs on 01-759 6522.

● MATERIALS

Mirrors are made from thin film

MOVES TO expand the market for its Mirropac "glassless" mirrors are being made by British Aerospace, Weybridge—Bristol Division, (Weybridge 45522).

The latter produced these mirrors for use in aircraft (they are extremely light) and it is now thought that they will have applications which were never envisaged when they were first developed.

The surface of the mirrors is made from a thin, but tough, transparent polyester film, highly polished and vacuum coated with aluminium on one side. This film is stretched over a light frame which gives the mirror complete rigidity, while the film thickness, about .0015 inch (.0381 mm) is not sufficient to form a ghost image.

Applications already found include exhibition / display mirrors, architectural ceiling panels and decorative wall cladding where the edges can be butted to form a continuous mirrored surface. Lettering or artistic features can be printed on to the surface of the film, and their non-misting qualities make them a practical solution for bathrooms and other high humidity areas.

British Aerospace has now appointed Kepac, 60, Oakfield Road, Altrincham, Cheshire WA15 8EW (061-941 1027) as UK licencee. This company manufactures display units.

● ELECTRONICS

A look at the future

IF ANYONE is entitled to utter an opinion on the future of the semiconductor industry (and also perhaps the future of the whole of industry) it must surely be Dr. Robert Noyce, who not only was instrumental in starting Fairchild Semiconductors in 1957 but also, with Dr. Gordon Moore, has been behind the dramatic success of Intel.

In London last week Noyce was awarded the Faraday Medal of the Institution of Electrical Engineers for his contribution to the technology and the industry, not long after a similar award to Moore from the IEEE in the U.S.

Noyce's view of the prospects for any start-up company in semiconductors can, presumably, be seen as significant. Put simply, his opinion is that unless the proposed company has a unique product proposition and will be able to invest at a rate at least commensurate with successful contemporaries in the same field, the chances of unaided, commercial success are small.

Noyce makes it clear that he feels Inmos to be in this category. He believes that for U.K. semiconductors, Inmos "is a bandage, whereas what is required is a cure for the wound." Nor unnaturally, he sees the proper solution in terms of true innovative investment, perceiving no future in Government participation.

His own company's investment, mainly in terms of constant replacement with up-to-the-minute production equipment, was \$104m in 1978, rising to \$120m this year. He contrasts this with the \$100m total spend of Inmos, coupled with a product which is well known to everyone. It certainly cannot be denied that Intel's products at the time of their appearance were almost unheard of—semiconductor memory followed later by the microprocessor.

It is possible that, on the technology side, LSI limitation may be approaching since at room temperature thermal noise will compare with signal levels at about a tenth of present smallest linear dimensions, that is at 100 times present element densities. Supply voltages would then be down in the 0.5 volt region.

Beyond this there is the prospect of working at reduced temperatures, although the cost of cooling might prove excessive. In any event, Noyce sees it as certain that the biggest computers of 1975, executed in "micro" form will be down to shoebox size by 1985.

Intel, which is only a little over ten years old, has already reached a turnover of \$400m and is now in the position of taking \$25m orders from none other than IBM, who this year will become Intel's biggest customer.

In terms of anxiety about the social effects of the micro, Noyce believes that in the UK in particular serious attention must be given to industrial "computer literacy" and intelligent de-emphasis of the growing Luddite trend. With world-wide inflation rates running at about 10 per cent and cost per electronic function plunging in the opposite direction, the use of these techniques is absolutely inevitable, and applications "seemingly impossible today will be a certainty tomorrow.

GEOFFREY CHARLISH

● PROCESSES

Recovery of used solvents

SINCE THE prices of industrial solvents have risen dramatically, it is now more than ever necessary to recover used solvent for recycle, says J. A. Welch (Plant and Vessel), Stalco Works, Livingstone Road, Stratford, London, E.15.

Just introduced to the market is the company's Raywell solvent recovery unit, described as a packaged unit of British design and manufacture and, having the ability to operate under vacuum, will recover all industrial solvents in good yield from the dirtiest of liquid wastes.

The unit is automated and continuous in operation, taking in dirty feed from drums or tanks and delivering high quality recovered solvent to clean drums, the solid residues being rejected automatically and continuously.

Three models are available, with capacities up to 160 gallons per hour clean solvent output.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Nicholas Leslie on the 25-year-old philosophy behind Unitech

Business American style—in Reading, Berks

IT IS often argued that business graduates are not the easiest of people to integrate into a company. They aspire to positions for which they are not ready, have too much theory and not enough practice, and altogether are considered by their superiors and peers to be something of a nuisance because they are out to set the world alight with ideas that undermine established practice.

Peter Curry does not deny that such dangers exist, nonetheless, he feels industry should make use of graduate talent; he is constantly on the lookout in business schools for people he feels could make a valuable contribution to his Reading-based company Unitech, which makes and markets electronic equipment and industrial controls.

Last year, Unitech took on two graduates from the London Business School, one an accountant, the other an engineer. Not a large number, admits Peter Curry, but then in view of the company's size (about 2,000 employees) he does not expect that it will be able to absorb more than three graduates a year in the immediate future. But as it grows he plans to take on an increasing number.

Curry, 48, admits there is a problem "of achieving an interface between some business graduates and the company in the early years." But he believes that among the benefits they provide are analytical minds and sound judgment. To achieve that interface "we try to find assignments that are interesting to them and profitable for us, and in this way they build up experience in a live situation."

To hear him advocate such an approach is no real surprise. For one thing he has been backing people in one way or another for the past 16 years. For another, both he and his brother John, 40, also a director of Unitech, are Harvard graduates who clearly subscribe to the concept of business education and to the slick professionalism/management so common among many U.S. companies.

Unitech was founded upon an entrepreneurial concept worked out by Peter Curry and Gordon Macpherson when both were at Harvard Business School in 1954. The idea was to provide venture capital for small and embryonic technology-based companies in exchange for a majority shareholding, creating a group of companies that would have Curry and Macpherson providing broad central consultancy and direction. It was not, however, until 1962—after each had gone his separate way to gain commercial experience—Curry into electronics and Macpherson into stockbroking—that they finally got together to put the concept into practice.

Hiccups

It all started with Coutant Electronics. Control of this very small manufacturer of DC stablised power supplies pressure transducers, strain gauges and load cells was bought with funds put up by private backers. Next came companies involved in marketing computer peripherals, capacitors, and other types of electronic components.

Today, the group comprises 25 subsidiaries divided into two distinct divisions. One is involved in marketing electronic components, largely by acting as distributor or agent for such major U.S. manufacturers as Texas Instruments, Intel, Motorola, Fairchild, and National Semiconductor.

The other is the manufacturing side, making not only electronic components, but also industrial controls, computer peripherals and, more recently, marine navigational equipment and instruments.

Growth over the past ten years has been interrupted by a couple of small hiccups but in 1977-78, on sales of £33.76m, pre-tax profits emerged at a record £3.1m. The first half of the present year saw continued expansion, though at a lower rate than last year as a result of a less certain outlook in the microprocessor field.

Sadly, perhaps, Curry long ago left venture capitalism behind. Largely, this is because he believes that Unitech is now of a size where a small new venture would represent too small a part of the whole group and would demand a disproportionate amount of his time.

He would, however, consider reentering the arena using his own money if for example, more generous tax laws were introduced, allowing him to build up capital with which to make investments. He would also want to be able to offset venture capital losses against tax.

But if venture capital investments have had to make way for takeovers of established and fairly substantial companies, as well as internal growth, the role that Peter Curry and his brother play is in essence unchanged. They remain very much removed from day-to-day activities, working out the strategy for the group's future, setting the guidelines within which each company should operate, monitoring financial performance and, with very small headquarters staff, acting as a consultancy to help sort out any problems a subsidiary might have.

This leaves each subsidiary with a considerable degree of autonomy. By "autonomy" Curry means that the parent company is concerned with three prime decisions. First, it decides the business or market that each subsidiary should be in; second, it lays down the financial objectives, establishing the rate of return that each subsidiary should aim for; and, third, it appoints key people which mainly means the managing directors. The subsidiaries' results are reviewed monthly to check progress against budget and annually in relation to Unitech's rolling four-year plan.

Curry has a nice concise saying to sum up his expectations of management. "Good managers," he says, "meet their budgets in bad years and beat them in good years. Bad managers meet their budgets in good years but fall well short of them in bad years."

It is clear that Curry laid down tough standards from the start. Some of the entrepreneurs whose companies formed the basis of Unitech have departed. Curry prefers not to discuss why any executive leaves, but reasons probably include their reluctance to accept targets expected of them, or their preference for total independence.

Although demanding, Curry is none the less realistic about what can be expected from a group of companies. "We have 25 operating subsidiaries, of which probably five at any one time has a problem. We have got to be clear what that problem is. We have either made a bad market decision or a bad people decision. These are the issues that we (the main Board) look at. If it is the market that is wrong we have got to get out of it. If it is a people problem we have got to correct it."

Since 1971 Unitech's sales have grown ten-fold and Curry believes his market position is now good. But he acknowledges that it is difficult to develop the right people internally for the company at the same rate. Unitech is therefore in the process of creating a plan to recruit and develop people for its future needs. Not surprisingly, it will be looking for graduates straight out of college, marketing and engineering people, as well as business graduates.

Fortunes

While Unitech has increasingly expanded its manufacturing interests, it was marketing which formed the original backbone of growth, with distributorships and agencies for electronic components. Explaining why he chose distribution, Curry cites the analogy that many more fortunes have been made out of making and marketing motor components rather than cars. For similar reasons he chose computer peripherals and software rather than computers themselves.

One of the main marketing subsidiaries is Celdis, which handles microprocessors and other components from virtually all the major U.S. manufacturers. That he is able to market competing products is, he says, due to the strength that a handful of UK distributors have developed: there are six distributors with 50 per cent of the market. So manufacturers want to come to us, he says.

On the other side of the business, APT Electronics, taken over by Unitech in 1972, is an example of the company's aim to broaden its base in manufacturing while remaining in technology-based businesses.

APT's basic product is DC to DC units for Post Office telephones. Much of what it makes is custom-designed equipment which is becoming increasingly complex, requiring APT to educate its customers about the various developments taking place.

A particularly important part of APT's current strategy is its analysis of ways to exploit microprocessors, both in its navigational equipment—it introduced a marine digital direction finder last year—and in industrial controls.

Discussing Unitech's business in general, Curry talks a lot about developments taking place in the U.S. Much of Unitech's business is indeed based on American ideas and developments. He makes no apologies for this, making the point that back in the early 1960s he was asking himself some "very fundamental questions about what was going on in America in the smaller areas of business." And he took the view—which he still holds—that "if a $30m business in America offers the opportunity to create a market in the UK, even if only of $3m, it is well worthwhile stepping into that business."

This monitoring of the U.S. scene remains continuous, and at any given time there is usually someone there from one of the Unitech companies increasing its existing business and looking for new ideas.

Alan Davidson

John (left) and Peter Curry: "an ability to move rapidly."

The remoteness of the main board from everyday business does not mean that its concepts become an intellectual exercise divorced from reality, claims Curry. In fact, the "key attraction" of the system" is the freedom and ability it provides to move rapidly. If we find a man, a franchise or a company that looks promising we can sit round a table now and take a decision."

Such decision-making has helped Unitech to adjust to three fundamental changes in technology since it was founded. It entered the market as transistors were replacing valves. Then, says Curry, came the first integrated circuits, enabling a number of transistors to be put on a single silicon chip. The current era was that of the microprocessor, where thousands of transistor devices can be put on a chip.

When the next technology advance takes place, Unitech clearly plans to be in at the forefront.

Making sense of numbers

BY JASON CRISP

DOES THE mere thought of trying to divide 35.2 by 17.9 by mental arithmetic threaten to give you a headache? If the answer is "yes," as it very likely is, then don't worry. You are not necessarily innumerate.

The whole contentious problem of numeracy was neatly turned on its head last week by Professor A. S. C. Ehrenberg as he gave the Stockton lecture at the London Business School. He argued that when people cannot understand numerical information it is much more likely to be because it is badly presented than the fault of the puzzled recipient.

"Most of us feel inept when faced with numerical data," he said. "We think we lack numeracy. My message is that we are not to blame: the fault is not in ourselves but in our data."

Having thus boosted his audience's morale, Ehrenberg, who is professor of marketing at the London Business School, went on to show how and why numerical information can be presented for it to be easily assimilated and understood. But first he outlined what he meant by numeracy.

To him numeracy is about understanding numbers and should not be confused with being mathematical, in the sense of being able to do algebra.

Ehrenberg concentrated not on the oft-aired problems of innumerate school leavers but on how executives, administrators, educators and professional people could better cope with numerical data.

Taking a hefty sideswipe at the typical control sheet used in many companies, he said that "often such reports are presented to senior management each month, in what is laughingly referred to as a 'management information system.'

"But the data is difficult to take in. This is partly because of the archaic layout. Years ago the readings used to be entered by hand with quill pens and so today each figure is still entered in a separate box. This stops the eye moving from one figure to another."

The communication of data is greatly helped when people realise that it is much easier to compare figures when the eye runs down rather than across the page, Ehrenberg said.

Another useful rule for the good presentation of data was to round off the figures to two "effective" digits. Professor Ehrenberg said he had asked thousands of people to do the division quoted at the beginning of this article. Only three had claimed success, though, as he pointed out, rounded off to two figures it is easy: 35 is about twice 18.

Ehrenberg drew up a list of golden rules for the better presentation of data: put the figures to be compared into columns rather than rows; round the figures up, drastically; layout should guide the eye to facilitate comparison; use averages to summarise or provide a focus; include brief verbal summaries to lead the reader to the main patterns and exceptions.

But why should these rules work? "They do so mainly because they allow our short term memories to operate more easily—or at all," explained the professor.

When reading a table of figures we need to remember some or all of the numbers at least momentarily, he said. Take the suggestion that figures are better understood in columns: in reading downwards the figures are closer together and the eye can see the digits which are changing. But reading across, the eye has to travel further and read each printed digit.

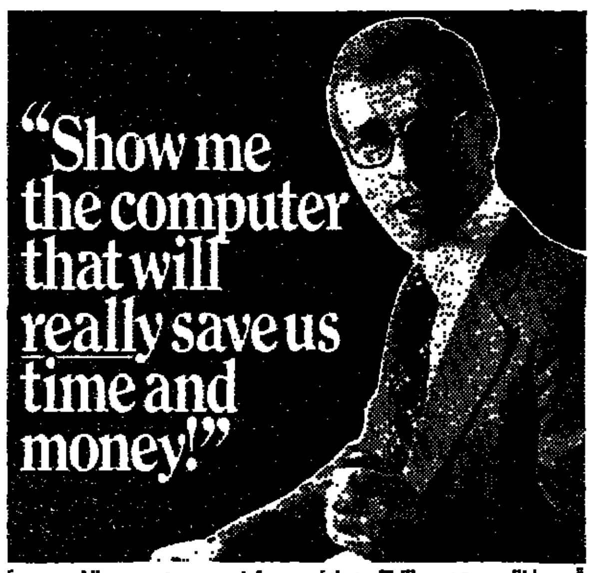
Short-term memory also explains why rounding numbers to two "effective" digits also helps, said Ehrenberg. It had been established that people can remember fairly accurately long numbers of up to 7 or 10 digits, with the big proviso that the readers are not interrupted in any way.

"Scanning figures or doing mental arithmetic are also forms of mental interruption. This explains why we have such difficulty with longer numbers." Ehrenberg told his audience. But people could remember numbers in their immediate memory, even when interrupted by some task, as long as the numbers were only two digits long.

"Faced with long numbers we are all non-numerate. Faced with two digits we can all more or less cope."

Professor Ehrenberg has put the ball firmly back into the court of the producers of data, who he says, have been production-oriented. "They have shown little concern for the consumer."

Copies of Professor A. S. C. Ehrenberg's speech are available from the London Business School, Sussex Place, Regent's Park, London NW1.



THE JOBS COLUMN

Brace to hoist sales for Halsey Marine

BY MICHAEL DIXON

DAVID HALSEY was unexpectedly enthusiastic when I told him that, as a sure sign of spring, I was starting to scrape down and repaint my 18-ft clinker-built boat, Dayspring.

"Lovely; gaff-rigged is she?" he asked. "Well, gunter-rigged really," I replied. And so we went on for some minutes.

The reason why I did not expect his interest was that the 500 or more yachts which he and his group deal with are all a good deal bigger than Dayspring even though, with her 7½-ft beam, she is built like a Blackpol landlady. True, if you insisted, Halsey Marine International might fix you up with something as tiny as a Dufour 31 sloop, but perhaps not without thinking that you must be eccentrically modest.

To be accepted as a normal customer, you would probably do best to sound as though you had never heard of a vessel less than 50 ft long. To create a real impression in the group, you might well have to inquire about ASY 558 in the current charter catalogue, which is a 316-ft windjammer with an American crew of 50. An alternative for those who prefer their seagoing not to be complicated by bits of cloth, sticks and string, might be LMY 164, which is a 250-ft motor yacht with twin super-[illegible] diesels giving a cruising speed of 16 knots and with a crew of about 28.

As Mr. Halsey said, his London-based company—which not only charters large yachts of various kinds, but also sells and buys them and finds crews and provides services—operates "right at the very top end of the market." And he has just come to the Jobs Column with a fairly urgent order for a manager who will be responsible to him for running and developing the charter side of the business.

Main tasks

With about 10 directly supporting staff in London, the new manager will work from a basis of four main tasks, which the group's director sees as essential.

The first is to know the yachts that the company charters, and to know the principal vessels well. To this end, the recruit will be likely to spend three or four days a month travelling to inspect yachts operating from various different countries. So previous experience in the Navy, either with men o' war or with merchant men, or in ship brokerage would be a great advantage.

The second, connected task is to act as a persuasive "referee" between the owners of the yachts and those who charter them. "Both parties need to be satisfied that they are being looked after properly," David Halsey explained, which bearing in mind the sort of characters who tend to own and to hire 250-ft motor yachts, may well not be as easy as falling out of a hammock.

Next, the newcomer will need to negotiate charters in various currencies. But here the group will, if necessary, provide training. Weekly fees for charters, by the way, currently range from £300 to around £30,000.

The fourth, although certainly not the least important main task will be marketing. This means not only fostering continuing relations with the 8,000 people who have already dealt with the group, but also "producing creative and effective ideas for promoting charters to very rich people all over the world."

In Mr. Halsey's view, therefore, there is an absolute need for demonstrable success in sales or marketing of the entrepreneurial kind in the more opulent spheres of travel or some other branch of the leisure industry. "But don't give anyone the idea that there's much leisure working here," he added, speaking against a background of telephone bells and confabulating staff, even though it was already 7.30 in the evening.

English is the only essential language for the charter manager's job which, for the initial period anyway, would have a salary of roughly £8,000. French would be an asset, however, and the new manager, like the other person David Halsey is seeking, could well be a culturally-transferable man or woman of some other nationality, currently working anywhere.

The other opening is in the group's sales company, and it is for someone with a naval-type background who speaks English and at least two other European languages, to train as a broker dealing in large yachts.

"We've got to have successful sales experience with a multinational flavour here," the group director said, "and although I'm thinking of an age range of about 30-40 for both jobs, the one in the sales company would probably be best for someone in their early 30s. He would not be drawn on the likely salary, but I estimate that he must be prepared to pay at least £5,000 initially or given a candidate already consummately qualified for the work, possibly considerably more.

Candidates for either post—and, incidentally, fully competent engineers, stewards, captains or seagoing chefs interested in joining the group's register of reliable crew (mere deckhands, I fear, are a drug on the market)—should write, repeat write, full details of experience and qualifications to David Halsey, at 22, Boston Place, Dorset Square, London, NW1 6HZ.

Other readers at best qualified, like myself, for continuing to lavish elbow grease on some relative shallop will have to remain content with Mr. Halsey's assurance that we are probably happier in our simple pursuits than we would be pacing the quarter-deck of ASY 558 and thinking about the amount of expensive food disappearing daily down the maws of 50 Americans.

Scotland

BACK TO earth: Brian Saltzer of West One Selection is seeking a general manager—construction, on behalf of a client whom he may not name. Consequently he promises to honour any aplicant's request not to be identified to the employer until he is given specific permission to do so.

The job, with a large group based in industrial southern Scotland, carries responsibility for construction projects being carried out in the United Kingdom, mainly on a sub-contracting basis. Responsible to a group director, the newcomer will have about half a dozen managers in immediate support.

Candidates must have had experience of engineering enough to guarantee technical knowledge of construction projects. But they also need to have had direct concern with the policy-making side of big business and, in particular, "they've got to know what contractual claims are all about," Mr. Saltzer said.

While he thinks it probable that the recruit will already be working in a similar activity within the UK, he does not rule out culturally-transferable applicants from elsewhere. The salary will be about £16,000 plus a bonus related to performance and perks including a car.

Applications, once again in writing only, enclosing a curriculum vitae to Brian Saltzer at 61 Berners Street, London W1P 3AE.

R-Exchange

FINALLY today, grateful thanks to the five dozen readers who have so far offered freely their impressive range of expertness in response to my appeal a week ago for help in initiating the resource-exchange.

By the time this Jobs Column appears, I expect to have been in touch with Michael Bretherton about the best way of designing the necessary "brainstorming" meetings. That done, we shall contact each volunteer individually to make appropriate arrangements.

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It is hoped that the post will be filled on, or as soon as possible after, 1st October 1979. Applications giving the names of three referees should be submitted to the House Secretary, Queen Elizabeth House, 21 St. Giles, Oxford, OX1 3LA (from whom further details may be obtained) by 14th April. The appointment will not necessarily be made from those who apply.

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Créée il y a 3 ans, cette filiale basée au centre de Londres, emploie à l'heure actuelle 8 personnes et réalise un C.A d'environ £ 500.000 p.a. Elle s'adresse à une clientèle diversifiée : grandes chaînes, alimentations de luxe, restauration... et elle distribue également ses produits par l'intermédiaire de grossistes et d'agents pour la province.

Son infrastructure, ses installations, sa logistique sont actuellement suffisantes et doivent lui permettre de doubler son C.A à court terme. C'est pour atteindre ce premier objectif qu'il a été décidé de rechercher un collaborateur capable de prendre en charge le développement de cette filiale.

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Ce poste peut être proposé à un candidat possédant une expérience commerciale réussie acquise si possible dans le domaine de la distribution en Angleterre de produits importés de haut de gamme. La connaissance du milieu alimentaire et «delicatessen» en particulier serait un atout important. Une pratique courante de la langue française est bien évidemment impérative.

Compte tenu de l'autonomie du poste et des responsabilités à assumer, la rémunération de départ ne sera pas inférieure à £ 10.000 p.a de fixe plus un intéressement motivant sur les résultats plus véhicule de fonction.

Merci d'adresser CV détaillé en français, lettre manuscrite en français, photo récente et salaire actuel sous référence FT 6114 L à François Sanchez qui viendra à Londres pour les premiers entretiens.

egor 5 rue Meyerbeer, 75009 Paris

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Akroyd & Smithers Ltd., a stock jobbing firm covering most markets, requires young trainees aged between 17 and 22 years, who have received a sound education. Successful candidates will be taken into the Blue Button Training Scheme and will earn a competitive salary with profit sharing scheme, and other benefits.

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The successful applicant will have a good general knowledge of the refractory industry, a proven record in production and general management and the ability and energy to exploit this opportunity. He/she will enjoy a considerable degree of autonomy, reporting direct to the main Board.

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A basic salary and profit/productivity related bonus will be paid providing a £10-£12,000 p.a. potential. Company car plus usual fringe benefits.

An early start is envisaged.

Telephone for an initial discussion on Saturday, 17th March, 1979, between 10.00 a.m. and 2.00 p.m. or Saturday 24th March, 1979, between 10.00 a.m. and 2.00 p.m. STD 099-67 71515 or 6821.

INTERNATIONAL BANK
BAHRAIN—THE GULF

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LOAN ADMINISTRATOR
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Applications with full curriculum vitae to:
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Director of Construction Finance Administration

OIL REFINERIES & PETROCHEMICALS UK BASED

A leading Contractor in the field of Petro-Chemical Construction requires a Director of Construction Finance Administration to fill this senior function. Applicants must have a minimum of 10 years administration experience on International projects. This must include the total responsibility for general construction administration, accounting, cost data and audit function of sub-contractors on lump sum contracts.

Experience with a major US contractor would be an asset. In addition to working experience applicants should have a recognised accountancy qualification (CA, ACCA, ACMA) or the equivalent in business administration.

Please write, quoting ref. ST/273, with full resume. All enquiries will be treated in strict confidence. You may mention companies to which your application should not be forwarded.

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Locations: Damman & Jeddah, Saudi Arabia

Our Clients are a well established company employing over 250 people importing a wide range of electrical and electronic equipment for both the domestic and commercial markets. The company promotes its product range through a network of 8 branches.

The Commercial Managers will be responsible for the efficient running of the foreign sections which deal with the order of goods from suppliers, liaison with the branches, agents and customers.

Candidates aged 28/38 must have sound experience of running a busy, import based order processing operation and be capable of organising and directing the work of other staff. Knowledge of the procedures concerning letters of credit and the ability to communicate in Japanese would be decided advantages.

The initial contract period will be negotiated to suit the needs of the successful candidate but will be for a minimum of one year. Benefits include free fully furnished accommodation, car and generous fare paid U.K. leave.

For further information and an application form please telephone Preston (0772) 21072 (24hr. service): Quote ref—ME.206/2—Jeddah, ME.206/3—Damman

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The appointment. To head up a new investment section of the money market business.

The work will involve communication with commercial and industrial companies and institutions at up to management and board level to develop gilt-edged and mortgage trading activity amongst existing and new connections.

The requirements are familiarity with standard yield calculations, or at least 'A' level maths, enthusiasm and an ability to communicate both. Experience of gilt-edged market an advantage.

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Applications to Mr. Bernard H. Fison, Money Market Department.

Phillips & Drew
Lee House, London Wall, London EC2Y 5AP
01-628 4444

UNIVERSITIES OF SCOTLAND

ORGANISATION AND METHODS UNIT

DIRECTOR OF THE UNIT

Owing to the impending retirement of the Director in September 1979 applications are invited for the above post.

The Unit, established in 1967, provides a service to the eight Scottish universities.

Applicants should possess a university degree or an appropriate professional qualification, substantial consulting experience, and the ability to establish effective relationships at all levels in a university community.

Further particulars are available from Duncan I. Cameron, Chairman of the Committee of Management, Heriot-Watt University, Chambers Street, Edinburgh EH1 1HX to whom applications (enclosing a full curriculum vitae) should be sent by Wednesday 4th April 1979.

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£4,600 +

Due to internal movement and promotions this well known company seeks a new member for their Personnel team. The ideal applicant will be either fully qualified or studying IPM with a sound background in Personnel. Duties include recruitment, interviewing, lecturing, induction courses and visiting universities. Excellent benefits complete a very worthwhile package. Age 35+.

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c. £6,000 plus Company benefits

We are looking for an Investment Analyst who will be responsible to the Management Accountant for monitoring the effectiveness of the Company's entire investment function and the provision of accurate financial information to Senior Accounting Management.

We are a rapidly expanding Company dealing with a wide range of insurance and unit trusts. We are looking for someone who will contribute to our future growth by effectively utilising his/her professional experience and awareness of the investment market.

This is a challenging job and the ideal applicant would be in his/her mid-twenties and have experience in stockbroking or banking, preferably a numerate graduate with some knowledge of accounts.

We offer a range of Company benefits including Mortgage Subsidy, non-contributory pension scheme, permanent health and death benefits scheme and subsidised staff restaurant facilities. We also offer good career prospects within the Company. Salary is negotiable depending on experience. Relocation assistance will be given where appropriate.

Please phone or write for an application form to: (quoting reference MA/IA/AM)

Personnel Department,
TSB Trust Company Limited,
P.O. Box 3, Keens House, Andover,
Hampshire SP10 1PG.
Telephone: Andover (0264) 62188 Ext. 235

Closing Date 27th March, 1979

TSB
Trust Company Limited

UNITED KINGDOM TRADE AGENCY

FOR DEVELOPING COUNTRIES
(formerly Import Opportunities Office)
requires
ASSISTANT CHIEF EXECUTIVE

- UKTA is funded by the Ministry of Overseas Development and its primary function is to help Developing Countries increase their export earnings.
- Candidates should have proven administrative capacity—with enthusiasm for the purposes of the Agency and the ability to stimulate new ideas.
- Candidates should have at least 10 years' wide commercial experience of senior management—age up to 55—experience of Developing Countries, particularly Africa and Asia, and knowledge of Spanish and/or French desirable. Graduate or graduate standard of education. Experience of accounts highly desirable as it is hoped that Assistant will prepare Budgets and supervise Accounts.
- Assistant Chief Executive will be expected to travel in the Developing World periodically.
- Salary in range £6,040-£7,850.

Reply with curriculum vitae, marking envelope in top left hand corner "ACE," to Chief Executive, UKTA, London Chamber of Commerce, 69 Cannon Street, London EC4N 5AB.

MANAGEMENT CONSULTANCY

ACCOUNTANTS & BUSINESS GRADUATES

£8,000-£11,000 + Car

TOUCHE ROSS & CO. MANAGEMENT CONSULTANTS, seek financially numerate consultants for their London-based team.

The work is primarily concerned with the resolution of organisation and control problems in the financial, systems and operational areas. Our clients include small businesses, multinational corporations, international lending agencies and government departments. Most of the work is in the UK but consultant must be prepared to work overseas for which generous supplements are paid.

Selection criteria include: a first degree, a professional qualification or business degree; length, quality and variety of business experience; salary progression; and analytical and communication skills. Age is not a criterion.

Please send a comprehensive career résumé, including salary history and quoting ref. 968, to:

R. W. Owen
TOUCHE ROSS & CO.
MANAGEMENT CONSULTANTS
4 London Wall Buildings
London EC2M 5UJ
Tel: 01-588 6644

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The Company is a leading London confirming house forming part of a substantial and diverse international group with worldwide financial, trading and commercial interests.

Encouraged by the success of operations in its traditional markets, the Company has decided to appoint an Area Manager to expand its activities into new fields where, it believes, there is substantial scope for its services. To have the necessary background for this challenging role, candidates will probably have had experience in a confirming house or merchant banking environment, conducting business negotiations at a senior level. A good deal of travelling will be involved and a language facility, especially with Spanish, Italian or French, will be advantageous.

The appointee, male or female, will be able to draw on the experience of the existing management team and on the resources of the various constituent members of the Group with their widespread international connections.

An attractive compensation package will be negotiated with the successful candidate.

Replies containing brief career details should be sent to:

Mr. G. S. Peterken,
P H Recruitment Limited, (FT),
Suite 15, 7th Floor, 140 Park Lane,
London W1Y 4AD.

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representing and advising 300 members, including well-known national companies, responsible for over 40% of the country's retail trade, seeks a

SECRETARY

Responsibilities include acting as Meetings Secretary to Council and Committees, administration of a small office, assisting the Director in representations to Government departments and other bodies, preparation of reports, statistical and other information.

Experience of trade association or similar work essential.

Salary according to age and experience. There is opportunity of career advancement within a reasonable period.

Full details, including age, qualifications, experience and present salary, in confidence, to:

The Director
BRITISH MULTIPLE RETAILERS ASSOCIATION
Commonwealth House, 1-19 New Oxford Street
London WC1A 1PA
marked "Secretary"

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Major European international bank requires an executive (28-32 years) with the necessary drive to follow up and develop relations with international corporations in the commercial banking field and in the corporate finance techniques.

This appointment involves the analysis and assessment of risks as well as the ability to deal with companies at senior level. A knowledge of accountancy, law and exchange control procedures would be an advantage, as well as a fluency in the French language.

It is unlikely that any candidate without professional and university qualifications and with less than three years' experience with a bank would meet the criteria for this appointment.

The post offers excellent prospects with the possibility of acquiring overseas experience within our world-wide network. Salary negotiable, according to qualifications and experience. *Applicants should write, in confidence, enclosing a detailed curriculum vitae to:*

Mr. H. Young
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84/94 Queen Victoria Street
London EC4P 4LX

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We are looking for an experienced Loans Administrator able to assume a high level of responsibility for administering their own portfolio of loans, including liaison with the marketing and other operating departments of the bank.

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16 St. Helen's Place, London EC3A 6BY

HERIOT-WATT UNIVERSITY

LECTURER IN BUSINESS ORGANISATION

The Department of Business Organisation offers multi-disciplinary degree courses at undergraduate and postgraduate level. The Department is organised in four sections: Business Organisation, Marketing, Behavioural Sciences and Business Law. A LECTURER is required for the Business Organisation section. Subjects covered include basic and advanced organisation theory, operations management, small firms and entrepreneurship, general management, business policy, international business and futures studies. The appointee would be expected to contribute in more than one of these areas at various levels. It is likely, therefore, that he/she will have had some responsible industrial/commercial experience in addition to a postgraduate business degree and specialised interests in one of these areas.

The successful applicant will be expected to take up the appointment no later than 1st October 1979. Salary will be on the Lecturer Scale £3,883-£7,754 (under review).

Further particulars and application form may be obtained from the Staff Officer, Heriot-Watt University, Chambers Street, Edinburgh EH1 2HT, to whom completed applications should be sent by 15th April 1979. Ref. No. 51/79.

Experienced Economist

Kemp-Gee is seeking to expand its economic unit and to that end wishes to employ an additional experienced economist. The work involves economic forecasting and the monitoring and interpretation of current economic data and an essential requirement is the understanding of both the relevance and the limitations of economic factors as an influence in financial markets.

Applicants must be able to write clearly and concisely and be able also to express the firm's views to senior institutional investment management. The salary will be a competitive one and there are generous fringe benefits.

Apply in writing to:
Mr. H. H. Cove
KEMP-GEE AND CO.
20 Copthall Avenue, London EC2R 7JS
All applications will be treated in strictest confidence

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We are looking for several young solicitors, recently qualified or about to qualify.

We deal with specialised commercial disputes for clients from all parts of the world.

You would handle litigation and arbitrations in this country and, with foreign lawyers, prepare cases to be heard in courts abroad. There will be opportunities for travel.

You should have a good academic background, and some experience of litigation or commercial work. You should also be able to work well under pressure.

In return, we offer a stimulating and satisfying career, a good salary, and excellent prospects of partnership in a rapidly expanding firm.

Write with full details to:
Michael Wilford,
CLYDE and CO.,
30, Mincing Lane, London, EC3,
quoting reference 42,
and marking the envelope "Confidential."

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requires Secretary/Personal Assistant for his office near Regents Park. Applicants must be able to work independently. Ability to prepare reports and draft minutes are an added advantage. Adaptability and initiative more important than age. Hours 10 am to 4 pm. Salary by arrangement. Application with full arrangement. Application with full curriculum in own handwriting to Box A.6683, Financial Times, 10, Cannon Street, EC4P 4BY.

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Top secretary PA 25+ to assist in new Covent Garden business, working for dynamic person dealing with every aspect of this concern. Will be taught all aspects of Market life, ie Wheeling and Dealing etc. Must have excellent skills, be well presented and want total involvement in this very interesting and different field.
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£6,000 accountancy appointments £9,000

Letraset International
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Circa £8000 Central London

Letraset International have already achieved an enviable record of success and growth: their recent acquisition of Stanley Gibbons puts current Group sales in excess of £60m. This highly successful British based group now operates through 40 subsidiary companies spread internationally over 20 countries.

The Group is continuing to build strength into its financial control and analysis activity at corporate level. The person appointed to this position will take responsibility for consolidating the monthly management accounts and preparing the Group Balance Sheet and Profit and Loss Statement. Special emphasis will be placed on interpreting important trends and changes within the Group. There will also be significant scope for involvement in the design and development of improved reporting systems.

The position will appeal to a person aged 25/27 who has been trained in a financial discipline either as a professionally qualified accountant or as a business graduate with a financial specialism. Experience of direct involvement in group consolidation work will be a considerable advantage.

Location is Central London: fringe benefits are good and will include relocation assistance where appropriate.

Brief but comprehensive details should be sent in strict confidence to

G. J. Cassell,
New Appointments Group,
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505 Chesham House,
150 Regent Street,
London W1R 5FA.
Tel: 01-464 2131.

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ACCOUNTANT/ PARTNERSHIP SEC.
c. £9,000 + benefits

Professional firm requires someone to *supervise* Accounts Dept. and be responsible for advising on tax, drafting of service agreements, contracts of employment, admin. and staff pension, the firm's insur. matters including professional negligence and R.A.P. *This is a very responsible* position calling for complete trust and confidence.

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A rare opportunity exists for a qualified accountant (ACA, ACCA, ACMA, IPFA) to take charge of the Accounts Department of the CBI. Responsibility will be for the total accounting function including day-to-day accounting, payroll, budgets, and final accounts. Experience of data processing would be an advantage. Conditions of service are what would be expected from an important national organisation and the job offers a chance to gain valuable experience and develop management skills.

Ring 01-930 6711 extn, 34 for an application form or write to Miss S A Bridgett, Personnel Division, CBI, 21 Tothill Street, London SW1H 9LP. Closing date for applications 31 March 1979.

The Confederation of British Industry
Britain's Business Voice

Finance Management
for microelectronics c.£8,000

This is an excellent opportunity for a qualified accountant (ACA or ACMA) who has some years' industrial experience and now wishes to broaden and to take on significant responsibility.

THE JOB — to supervise the financial and costing operations of the Manufacturing Account and to ensure that Business and statutory responsibilities are met. Other key areas of involvement are: profit forecasting and inventory control, budget preparation, financial analysis and fixed asset control.

THE BUSINESS — *the one that everybody is talking about* — microelectronics . . . so if you fight shy of the cracking pace that is the norm for this industry, then don't take it any further. If you think you match up, then ring Simon Littlejohn, Personnel Manager, for a confidential discussion, without strings. Reverse charges, if necessary. Plessey Semiconductors Limited, Cheney Manor, Swindon, Wilts. Tel: Swindon (0793) 36251.

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ADAM STREET, OFF BOWESFIELD LANE, STOCKTON-ON-TEES

MANAGER— FINANCE AND ADMINISTRATION

The company operates a ferrous and a non-ferrous foundry, the latter having recently been commissioned.

We wish to recruit urgently a qualified accountant to fill the above position.

Applicants should have the necessary background and experience coupled with a strong personality to be able to instal a complete accounting/costing system as well as administrative procedures and to make an early contribution to the management of the company.

It is likely, therefore, that the successful candidate will not be less than 30 years of age.

A good remuneration package will be offered and will reflect the importance placed upon this appointment.

Written application only please to the Financial Director at the address above.

Financial Accountant
Brentford c.£8,000

Philip Morris Ltd., the UK *subsidiary* of a major US based international tobacco company, manufacturers of MARLBORO cigarettes, seeks a young qualified accountant.

Reporting to the Chief Accountant and controlling a small staff you will be responsible for the preparation of financial reports and the management of the day to day accounting. The department is fully computerised and the recent *and projected expansion of the* company means that there is ample opportunity to obtain first class experience within a sophisticated environment.

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Contact John P. Sleigh, ACCA on 01-405 3499 quoting reference JS/418/FAF.

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Guardian Royal Exchange Assurance

Qualified Accountants

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Developments within the Organisation have created further vacancies for Qualified Accountants in the Group's Finance Division.

Appointment would be initially to the Internal Audit Department which would provide a comprehensive introduction to the Group's accounting systems. Whilst on audit, the appointment would be London based with some travel, for which suitable allowances would be paid. After approximately 2 years a transfer to other accounting departments, which are mainly established in Ipswich, is likely.

The need is for Qualified Accountants up to age 35 with initiative and the qualities of leadership who would be required to manage teams conducting internal audits in the Group's offices at various locations in the British Isles. We would be prepared to consider recently qualified accountants seeking *their first post-qualification appointment.*

The commencing salary will be £7,000 plus per annum, dependent on age, qualifications and experience, plus the travel expenses mentioned above. There are excellent conditions of service and other generous staff benefits.

Applications are invited from candidates of sound accounting and auditing experience, with leading firms of practicing Accountants, to whom we can offer a satisfying career opportunity.

Applications in writing with full details to:
Mr. E. A. Noyce, *Recruitment Officer,*
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Royal Exchange, London EC3V 3LS.

Management Accountant
up to £9,000 p.a.

Our client, a major manufacturer of industrial chemicals, is seeking a management accountant to assist the Managing Director of an important subsidiary (turnover c £35m-£40m) based in the East Midlands.

The prime objectives of this position are to provide a comprehensive management accounting service to the subsidiary and to contribute to its effective management by professional advice to its senior executives both at *the headquarters and at the various factory sites. Since* much of the accounting service work is carried out at a separate regional centre the need to co-ordinate this work will also involve a certain amount of travel within the UK. Responsibilities will additionally include the production of periodic financial reports, preparation of budgets and long-term plans and work on capital expenditure proposals.

The position, open to both men and women, calls for a formal accountancy qualification, a probable age 28-40 and significant post-qualification experience in an industrial or commercial environment.

Initial salary will be negotiable up to £9,000 per *annum as well as non-contributory pensions and life* assurance schemes and some assistance with relocation.

Write with details of experience and qualification to Position Number AWM 7218, Austin Knight Limited, London W1A 1DS

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

INTERNAL AUDIT EUROPE

General Cable Corporation is a leading U.S. multinational company mainly engaged in the manufacture of sophisticated industrial products. The company is currently establishing an internal audit function to monitor its European facilities.

The successful candidate will be based in the European Head Office which is located in an attractive area in France on the Swiss frontier, near Geneva. The Company seeks a professionally qualified Accountant/Auditor to organise this new function.

Applicants must be:

(a) Capable of working alone initially pending future staff expansion.
(b) Experienced in modern auditing techniques preferably with some knowledge of EDP.
(c) Familiar with U.S. Accounting requirements.
(d) Reasonably fluent in French and German.

The remuneration package is negotiable.

Please write enclosing detailed C.V. to:

Mr. W. Anderson
Villa Hotellier
Route Nationale 5
01210 Ornex, France

ACCOUNTANTS FOR AIRFIX

The Airfix Group, whose diverse interests range from toys through housewares to shoes, both in the UK and abroad, wish to recruit at least two more qualified Accountants. Preference will be given to applicants with one to two years' post-qualification experience.

The initial appointment will be with the Internal Audit Department to enable the successful applicants to obtain a full knowledge of the Group's interests, thereafter line appointments will be available. The salary range is in excess of £6,000 per annum and after a short probationary period a company car will be available.

Applications, including a comprehensive curriculum vitae, should be addressed to:

Mr. J. H. Morris, FCA.
Financial Director,
Airfix Industries Ltd.,
17 Old Court Place,
London W8 4QF.

Airfix Industries

PART QUALIFIED

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PART-QUALIFIED

Due to promotion an opening has arisen within one of the world's leading exploration, refining and marketing oil groups. The appointee will spend the initial two years of employment in the capacity of a rover—gaining an overall picture of the financial and management accounting responsibilities within the company. Our clients offer excellent promotion opportunities leading to not only the accounting areas but also general administrative management. Salary will be negotiable in the range of £4,000-£5,000 p.a. plus superb fringe benefits including assistance with study. Please ring M & J Personnel, 01-839 1832.

MANAGEMENT ACCOUNTANT
c £7,500

COMPANY — Leading International Hotel Group.
EXPERIENCE — Qualified ACA or ACCA with experience of Management Accounting.
POSITION — Senior member of an Accounts team involved in Monthly Management Accounts, Auditing, Systems Development, Financial Forecasting etc.
REWARDS — Salary £7,000-£7,500, excellent benefits and a genuine career position.
ACTION — Please ring Roy Stockton, M & J Personnel Consultants, 01-839 1836/7, Grand Buildings, Trafalgar Square, WC2.

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Established for 13 years, we have a reputation for providing a personal and professional service to companies in the South. We offer a good basic salary, profit share and other benefits. Training will be given and promotion prospects are excellent.

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ACA 24-27 c. £7,500

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Based at Head Office in SW1, your role will provide substantial interest and career development prospects.

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CHIEF ACCOUNTANT COMPANY SECRETARY

suitably qualified and experienced, required to take complete charge of Accounts Department of engineering firm in Watford/Rickmansworth *area. To be responsible for the staff,* the financial accounts, management accounts, costings and general financial administration, as well as *usual Company secretarial duties.* A mini-computer is operated, with scope for extension of its use. Pension and life insurance scheme *and other benefits. Applications,* with full particulars of employments, experience and salary earned and expected, which will be treated *in strict confidence, to:*

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Chiswick-based company dealing in large interior design and refurbishment contracts seeks young qualified or part-qualified accountant to be assistant to the chief accountant. Duties will include day-to-day supervision of the accounts department and production of monthly accounts. Salary negotiable £5,750.

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BY W. L. LUETKENS

READING THE entrails of newly slaughtered beasts went out of fashion a long time ago as a means of foretelling the future. We have become too sophisticated for something so unscientific, even though it seems to have served the Romans well. After all, their empire lasted a bit longer than some more recent ones.

But another one of the ancients' indicators of the shape of things to come merely seems to have moved house from the intoxicating fumes that helped the Pythian princess at Delphi to deliver her forecasts. Now her careful blends of "yes," "no," and "maybe" issue from the steamy atmosphere of statistical offices the world around.

Revisions

The C. D. Howe Research Institution in Montreal, in its latest annual policy review, Anticipating the Unexpected, takes a look at Statistics Canada, the official oracle of Ottawa, and the sort of thing it has been saying about the Canadian economy. The research workers in Montreal were too cautious to sum up their findings in a pithy judgment. They leave the conclusion to us, and it is pretty shattering.

What they did was to compare Statcan's first figures for the growth of GNP in several years of this decade with the final, final revised figure. Please note that they did not go for the easy laugh by poking fun at prognoses: all the figures examined were published after the year in question had ended.

It turned out that year after year, from 1971 to 1976, Statcan's initial figure published in March of the following year, was successively out by 1.5, 0.6, 0.5, 0.1, 1.1, and 1.1 percentage points. Not too bad, one might say, until one realises that the estimates were out by 28, 11, 7, 3, 18, and 24 per cent. Year after year they were too low and had to be corrected upwards, except in the case of 1974. For that year Statcan's first shot was too low by 0.1 percentage points. And 1977 has not been revised at all—yet.

The C. D. Howe researchers comment cautiously that the original estimates influenced economists' perceptions of the strength of the economy and recall that the Canadian Government introduced stimulatory budgets in May, 1972, February, 1973, and May, 1974. In retrospect, the researchers say, it is clear that there were inflationary risks. You and I might add no wonder that there was severe inflation.

Some Canadian economists have decided to ignore the entire ritual of preliminary national accounts. Instead they look at the employment ratio, the proportion of the working age population that is at work. It has been rising steadily, an 8 per cent unemployment rate notwithstanding. The writer feels fairly smug about that: year after year he has told Canadian friends that to his non-economist and unstatistical eye their country looked pretty prosperous.

The moral seems to be that the evidence of one's eyes is no less important than the Pythian statistics. Look at Italy where an official economy in tatters is counter-balanced by an underground economy which is doing enviably; look at the U.S. where the Federal Reserve has found that its monetary statistics are dubious in the extreme; look at West Germany, where more than 1m unemployed have not exactly filled the streets with beggars; look perhaps even at Britain.

Moonlighting

Look also at Austria, where both the official and the underground economy are flourishing. The writer once asked an Austrian central banker how he managed to keep track of things, given the evident importance of the underground economy (or tax evasion to you and me). "Oh," he said, "we're lucky. Most of the moonlighting is done constructing residential housing. So we count new houses at the end of each year, and that gives us an idea of what's really going on."

The writer does not want to be thought to be picking on Statcan, but this story is too good to be missed. Statcan has informed an amazed public that of the country's 312,765 Indians and Eskimos, 95 had Chinese as their mother tongue, 135 Gaelic or Welsh, 175 Hungarian, 1,155 Italian, and 10 Yiddish. Maybe Statcan has discovered the lost tribe of Israel—but certainly it has given us all a reason for using our eyes and heads no less than our calculators.

The sweet attraction from Touraine

WINE

BY EDMUND PENNING-ROWSELL

TOURS, as visitors and girls planning to be "finished" are told, is the place in France where the best French is spoken—'pas-accenté! In the past, in spite of such historic names as Vouvray and Chinon, there has perhaps been even less accent on the wines of Touraine than on the impeccable speech of the Tourangeois and their incomparable chateaux. Today, however, with prices rising on France's other wine rivers, as well as on Burgundy's hillsides, these varied and relatively inexpensive wines in the heart of the Loire Valley are worth more attention than they have generally received on most wine lists.

Regulations

Another reason now for looking more closely at the Touraine wines is that they are generally much better made than they used to be; partly as a result of the strict *appellation contrôlée* regulations and partly because the growers are receiving a more adequate return for the arduous work in all viticulture dependent largely on physical labour. (That the benefits are not universal was demonstrated to me last autumn when in a merchant's yard a Berlin tanker was filling up with non-appellation sweet rosé at FFr 2.30 (27p) a litre!)

It is a region of small growers (the 50,000 to 60,000 hl. of Vouvray are produced by no fewer than 800 *vignerons*), nearly all of whom are also engaged in other forms of agriculture. The six co-operatives turn out only 15 per cent of the total production that extends for 100 kilometres along the valley of the Loire and its associated tributaries, the Indre and the Vienne. Average output is about 300,000 hl, far less than in adjacent Anjou.

Touraine's chief claim to international wine fame should rest on Vouvray, which *can* be one of the world's leading sweet wines, but like such wines almost everywhere is less in demand than its quality warrants. It is a curious wine in that its natural degree of sweetness may vary considerably from vintage to vintage, and only in exceptional years such as 1947, 1959 and 1964 do the sweet, or as the locals call them *moelleux* (rich, ripe), Vouvrays come into their own.

One of the leading merchants is Marc-Brédif, whose splendid cellars run deep into the limestone hillsides of the river valley. In 1977 two bottles of their 1921 Vouvray were sent by air to a banquet in Sydney, and although allowed little time to recover from the journey, it was said to "beat" the most famous wine of that great sweet white wine vintage—the Yquem. (This view has been contested by one present on the occasion, though he did not suggest that the Vouvray was inferior; just different). I can believe in the claims of the Vouvray, for a bottle was opened for me in this cellar last autumn. Though coloured, with a wonderfully rich nose and luscious flavour, it was less maderised than one tends to find with old Yquem; and there was no hint of decay. A rare experience to taste and, surprisingly enough, it made the scarcely less esteemed 1947 seem almost light and nothing like so rich in comparison.

It so happens that Yapp Bros. of Mere, Wiltshire, can offer this wine at £31 a bottle (less expensive than first-growth '61 clarets), while O. W. Loeb of Jermyn Street, W1 have a '47 from Foreau at £12.75. Both firms have an interesting range of Vouvrays, as well as the similar but rather less distinctive Montlouis from across the river.

A large proportion of Vouvray is dry, though with a suggestion of sweetness and softness. It often has a slightly smoky nose, is clear and firm, but has much less individual character than the *demi-sec*, which is what fine Vouvray is. There is also a good deal of sparkling Vouvray, made by the champagne method and mostly drunk locally. It does not strike me as good as the dry sparkling Saumur produced lower downstream. The still Vouvray, dry or *demi-sec*, can be bought here for upwards of around £2.75, the *moelleux* for rather more.

Touraine's other main contribution to the wines of the Loire is the red Chinon and Bourgueil. The former leans heavily on the fact that Rabelais was born in the attractive riverside town, and both are made from the Cabernet-Franc, the Bordeaux grape variety known here as the Breton. There is a good deal of local argument as to whether the wines, firmer, less rounded than this grape produced in the Gironde, differ in style. Chinon is said to remind one of wild strawberries, or, alternatively, violets, Bourgueil of raspberries: but in fact they differ principally according to the soil. Chinon and St.-Nicolas de Bourgueil tend to be grown on sandy soil, whereas Bourgueil and a small part of Chinon come from tougher clay. The former mature much more rapidly, and are somewhat near their best after two or three years, but the more tannic *côtes* wines need another three or four years, and may indeed last to a considerable age.

These are dry, somewhat taut wines with a certain rather attractive asperity and clean flavour that makes them admirable luncheon wines rather than voluptuous fare for Rabelaisian banquets. At £2.50 to £3 or so a bottle, these are distinctive wines of character and style.

That does not exhaust Touraine's vinous attractions, for there are three small *appellation contrôlée* areas associated with the famous Loire châteaux: Touraine Amboise, Azay-le-Rideau and Mesland near Chaumont. Amboise is made in all three "colours," Azay-le-Rideau only in white, and Mesland in red and rosé. All three are light wines, and the best is probably the Azay. They are essentially wines to be enjoyed on the spot as part of the local scene.

Although the typical Loire grape is the Chenin—the basic grape of Vouvray—varieties from other parts of France seem to converge in Touraine. So one finds the Gamay, the Cabernet-Sauvignon (a little is used in Chinon and Bourgueil), the Malbec and Sauvignon, as well as the Pinot Noir and Chardonnay of Burgundy and Champagne. Local grapes also include the Arbois and the Grolleau.

Agreeable

Of all these I believe that the Gamay should have a good future, and on my last visit I tasted some agreeable Touraine Rouge made from this grape. Not unlike a beaujolais in aroma and flavour, and a good deal lower in price, it is worth trying, served fresh as a no-nonsense red above the ordinaire class. It should cost not much above £2 a bottle, although as a result of the small, disappointing 1977 vintage and a shortage of stock all the Loire wines have recently risen sharply in price at source, and the better 1978 crop is unlikely to alter this tendency. Traditionally Touraine wines are for early drinking, retaining the freshness of youth; and that, after all, is a recommendation these days of restricted accommodation for wine in the home.

Yellow Dean leads Irish invasion

RACING

BY DOMINIC WIGAN

THERE HAVE been 127 Irish-trained Cheltenham festival winners since the war, and I have little doubt that the figure will have been pushed beyond the 130 mark by Thursday evening, in spite of the uncharacteristic air of pessimism in the birthplace of steeplechasing.

To open proceedings the raiders send a team of five to post for the Sun Alliance Hurdle, in which Yellow Dean strikes me as their best prospect of retaining a race monopolised by Ireland since 1971.

Yellow Dean, a chestnut son of that top-class two-year-old of some ten years back, Yellow God, first showed his aptitude for the winter game when justifying odds of 4-5 in a 17-runner maiden hurdle at Leopardstown on November 29, following two unplaced runs.

A head winner, again at Leopardstown, on Boxing Day, Yellow Dean went on to defy 12 st 1 lb in a division of Ascot's Silver Doctor Novices Hurdle, then ran fifth on a return to Leopardstown for the Erin Foods Champion Hurdle.

If Yellow Dean proves capable of reversing placings with the fourth in that event, Exalted, now that the pair are going half-a-mile further, he should prove more than a match for both his compatriots and Venture to Cognac, my idea of England's best hope.

A second likely winner for Ireland—several of whose contingent of 44 will run twice over the next three days—is Deep Gale in the National Hunt Chase.

Eddie O'Grady's six-year-old has been running well without catching the judge's eye this season. Last time out he did extremely well, over a distance far short of his best, at Naas in finishing third to Seventh Son and Daletta.

For several months past I have had Dramatist chalked in as a likely Cheltenham banker, and although that term may now be too strong to describe his chance in the National Hunt Two-Mile Champion Chase, the Saxon House eight-year-old ought to come good again.

Another high-class chaser still in the novice stage who is certain of a good following today is Silver Buck. The Tony Dickinson seven-year-old, whose pilot, Tommy Carmody, took the opening events on the corresponding day a year ago with Mr. Kildare and Hilly Way, fully deserved his recent Haydock success over Night Nurse.

On that running he looks a good thing, barring a fall or interference, in the Sun Alliance Chase.

Rumours persist concerning the well-being of Champion Hurdle candidates Monksfield and Sea Pigeon. Jack Of Trumps is certainly a non-runner for Thursday's Gold Cup.

CHELTENHAM

2.30—Yellow Dean*
3.05—Dramatist
3.40—Charlotson
4.15—Silver Buck**
4.50—Deep Gale***
5.25—Fourth Son

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.10 For Schools, Colleges. 12.45 pm Midday News. 1.00 Pebble Mill. 1.45 Playboard. 2.00 You and Me. 2.14 For Schools, Colleges. 3.20 Pobol y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Winsome Witch. 4.25 Jackanory. 4.40 Star Turn: 5.05 John Craven's Newsround. 5.10 Stopwatch.

5.40 News (London and South East only).
5.55 Nationwide.
6.20 Nationwide.
6.50 The Osmonds (London and South-East only).
7.20 Blake's Seven.
8.10 Dallas.
9.00 News.
9.25 Play for Today.
10.45 Tonight.
11.25 On the Rocks.
11.50 Weather/Regional News.

All Regions as BBC 1 except at the folowing times:—

Scotland—5.55-6.20 pm Reporting Scotland. 6.50-7.20 Sing along with Sunshine. 10.45 Tuesday Night. 11.20 On the Rocks. 11.45 News and Weather for Scotland.

Wales—10.00-10.20 am and 2.32-2.37 pm I Ysgolion. 5.55-6.20 Wales Today. 6.50 Heddiw. 7.10 Pobol y Cwm. 7.40-8.10 A Question of Sport. 11.25 Dechrau Siarad. 11.50 News and Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.50-7.20 Minorities. 11.50 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.50-7.20 East (Norwich) The East Anglians; Midlands (Birmingham) Major Minor; North (Leeds) The Object in Question; North East (Newcastle) Tuesday North; North West (Manchester) Berni and Stu; South (Southampton) The Get Aways; South West (Plymouth) Penninsula; West (Bristol) Krek Bristle.

BBC 2

6.40-7.55 am Open University.
10.30 On Union Business.
11.00 Play School.
2.15 pm Racing from Cheltenham.
4.50 Open University.
6.55 Schubert 1797-1828.
7.25 Animated Conversations.
7.30 Mid-Evening News.
7.40 The Master Game.
8.10 Life on Earth.
9.05 Call My Bluff.
9.35 Man Alive.
10.25 The Roy Clark Music Show.
11.20 Late News.
11.30 The Old Grey Whistle Test.

LONDON

9.30 am Schools Programmes. 12.00 Issi Noho. 12.10 pm Stepping Stones. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon plus. 2.25 Tuesday Matinee: The World in His Arms. 4.20 Pop Gospel. 4.45 Magpie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames at 6.
6.25 Help!
6.35 Crossroads.
7.00 Give Us a Clue.
7.30 Charlie's Angels.
8.30 How's Your Father?
9.00 ITV Playhouse.
10.00 News.
10.30 David Frost's Global Village.
11.30 For Better, For Worse.
12.00 Elaine the Singer of the Song.
12.25 am Close: A painting by Toulouse Lautrec with Offenbach.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 2.25 This Year, Next Year. 3.20 Out of Town. 3.50 The Electric Theatre Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 7.00 Survival. 12.00 Police Surgeon. 12.30 am Christians in Action.

ATV

1.20 pm ATV Newsdesk. †2.25 The Tuesday Movie: "Guns of Darkness" starring Leslie Caron and David Niven. 5.15 Mr. and Mrs. 6.00 ATV Today. 7.00 Emmerdale Farm. 11.30 Snooker: The State Express Grand Masters Challenge. 12.15 am Something Different.

BORDER

11.20 pm Border News. 2.00 Houseparty. 2.25 This Year, Next Year. 3.20 Bygones. 3.50 Untamed World. 5.15 Out of Town. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 12.00 Border News Summary.

CHANNEL

12.55 pm Guernsey Election for Deputies. 1.18 Channel Lunchtime News, What's on Where and Weather. 2.25 This Year, Next Year. 3.20 The Practice. 3.50 You're Only Young Twice. 5.15 Mr. and Mrs. 6.00 Report at Six. 7.00 Treasure Hunt. 10.28 Channel Late News. 12.00 Police Surgeon. 12.25 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 2.00 The Regions Report. 2.25 Tuesday Matinee: "A Town Like Alice," starring Virginia McKenna. 5.15 Mr. and Mrs. 6.00 Grampian Today. 6.05 Out of Town. 12.00 Reflections. 12.05 am Bryan Taylor—The First Time. 12.30 Grampian Late Night Headlines.

GRANADA

1.20 pm Dodo. 2.25 This Year Next Year. 3.20 Out of Town. 3.50 You're Only Young Twice 5.10 Max the 2,000-year-old Mouse. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 University Challenge. 12.00 Oscar Peterson Presents.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.00 The Regions Report. 2.30 The Tuesday Matinee: "Salt and Pepper," starring Sammy Davis Jr. and Peter Lawford. 5.15 Moictoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Survival. 7.00 Mr. and Mrs.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion y Dydd. 4.20-4.45 Goolis. 6.00-6.15 Y Dydd. 10.30 Bywyd. 11.15 World in Action. 11.45-12.15 am Mind Your Language.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News Headlines and Road Report. 2.25 Fireside Theatre. 3.20 Regions Report. 3.50 Out of Town. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 What's Your Problem? 7.00 Emmerdale Farm. 8.30 Thingummyjig. 11.30 Living and Growing. 12.00 Late Call. 12.05 am Stars on Ice.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 2.25 This Year, Next Year. 3.20 The Family. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day including Southsport. 7.00 Emmerdale Farm. 11.30 Southern News Extra. 11.40 For Better, For Worse.

TYNE TEES

9.25 am The Good Word, followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.25 This Year, Next Year. 3.20 Untamed Frontier. 3.50 Batley's Bird. 5.15 Mork and Mindy. 6.00 Northern Life. 7.00 Emmerdale Farm. 11.45 Epilogue.

ULSTER

1.20 pm Lunchtime. 2.00 Regions Report. 2.30 Tuesday Matinee: "Harry Black and the Tiger," starring Anthony Steel. 4.18 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 This Year, Next Year. 3.20 The Practice. 3.50 You're Only Young Twice. 5.15 Mr. and Mrs. 6.00 Westward Diary. 7.00 Treasure Hunt. 10.28 Westward Late News. 12.00 Police Surgeon. 12.25 am Faith for Life. 12.30 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 Calendar News. 2.25 This Year, Next Year. 3.20 Calendar Tuesday. 3.50 The Entertainers. 5.15 Doctor on the Go. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m	3 1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
2 693kHz/433m 909kHz/330m & 88-91vhf stereo	4 200kHz/1500m & 92-95vhf	Capital Radio: 1548kHz, 194m & 95.8vhf
		London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 7.00 Personal Call. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am: As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Harry Rowell's Open House (S). 2.30 David Hamilton (S) including Racing from Cheltenham. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.45 Sports Desk. 7.02 On the Third Beat (S). 7.30 Folk 79 (S). 8.02 Tuesday Night is Gala Night (S). 9.02 Ian Wallace presents Those Musical Years (S). 9.55 Sports Desk. 10.02 Laughter in the Air. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music, with Ruth Cubbin (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Haydn (S). 9.45 Music for Clarinet and Piano (S). 10.35 Sibelius (S). 11.15 Modern English Solo Violin Music (S). 11.45 Schubert Concert (S). 1.00 pm News. 1.05 The Arts Worldwide. 1.20 Erich Korngold (S). 2.20 Music at St. George's, Bristol (S). 3.20 Quintet of Winds (S). 4.00 William McGibbon Concert (S). 4.55 Jazz Today (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound (continued). ‡6.15 At Home: Piano recital. Clementi, Schumann. 7.10 Georgian Glees (S). 7.30 Concert from Lancaster Part 1: Tchaikovsky, Strauss (S). 8.25 John Sparrow on . . . Discrimination. 8.45 Concert part 2: Saint Saens. (S). 9.30 Mind, Matter and Mechanism. 10.15 Building a Library of Records (S). 10.35 The Mark on the Wall: A Reverie by Virginia Woolf. 10.55 Clarinet Quintets (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.30 Today. Magazine, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 Local Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 Thirty-Minute Theatre. 11.30 Redeeming The Times? 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.20 Desert Island Discs. 12.55 Weather; programme news. 1.00 The World at One. 1.35 A Party Political Broadcast by the Labour Party. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 News Series: Plays on 4 (Preview). 3.10 Questions to the Prime Minister. 3.35 The Tenant of Wildfell Hall (S). 4.30 Announcements. 4.35 Story Time. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather: programme news. 6.00 News. 6.30 Just A Minute (S). 7.00 News. 7.05 The Archers. 7.20 File on 4. 8.00 Abandon Ship: "The Prince of Wales" and "The Repulse." 8.45 Scientifically Speaking. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The News Quiz (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

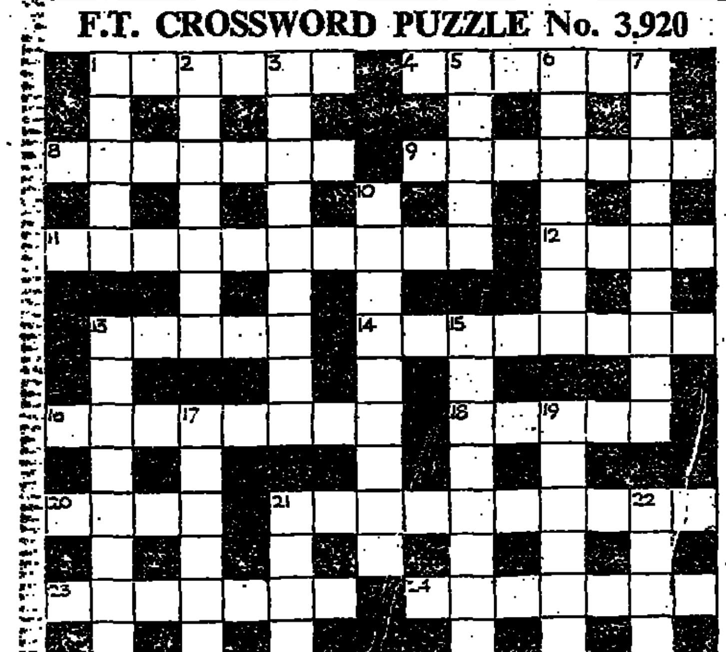
BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 All That Jazz: Tribute to the late Lennie Tristano. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time. From 1.05 As Radio 2.

London Broadcasting

5.00 am Morning Music. 6.00 AM: News, information, travel, sport. 10.00 Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

F.T. CROSSWORD PUZZLE No. 3,920



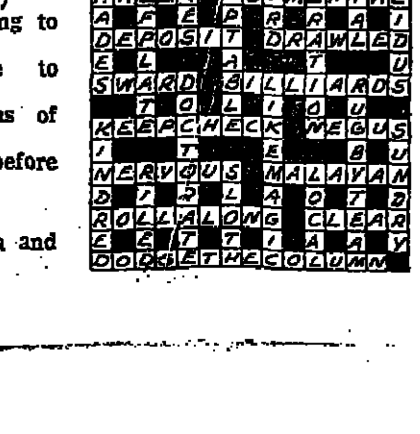
ACROSS

1 Wish to put gentleman in river (6)
4 Bag of perfume giving pain in a way (6)
8 A teamleader to entice and try. . . . (7)
9 . . . and try to accept girl in leather works (7)
11 Hall of justice can produce good red wine (10)
12 Complain about the meat (4)
13 Pole surrounded by blood in shrub (5)
14 Renounce sailor with information returned to be taken in (8)
16 A drawer full of unusual meat guts? (5-3)
18 Medicine bottle containing first of tablets could be important (5)
20 Her boyfriend initially gives a medicinal cure (4)
21 All with conceit stand to speak symbolically (10)
23 Join tough leader going to river for a match (7)
24 Drink and hesitate to become plumper (7)
25 Stone fish and means of catching it (6)
26 Vicar looks around before start of text (6)

DOWN

1 Come down in the sea and channel (5)
2 Vessel on board in the galley? (7)
3 Act as soldiers in attendance (9)
5 Silver the Scottish own once more (5)
6 Pass and catch lady's hold-all (7)
7 Anguish I left for 20 (9)
10 Peculiarly good man telephoned cathedral (9)
13 Boil a crowd of people (9)
15 List soldier with vehicle coming up, he should know where he is (9)
17 Judge a right bit and hesitate (7)
19 Extreme pain is legally wrong on river (7)
21 Soldiers in time accede (5)
22 Exhausted but write in a way (5)

Solution to Puzzle No. 3,919.



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA. [illegible]

COVENT GARDEN. CC. 240 1066. [illegible] THE ROYAL OPERA [illegible] THE ROYAL BALLET [illegible]

DOMINION. Tottenham Ct. Rd. 580 9562. LONDON FESTIVAL BALLET [illegible] THE SLEEPING BEAUTY. Season until Mar. 31.

SADLER'S WELLS THEATRE. Rosebery Ave. [illegible] IRAQI NATIONAL DANCE COMPANY [illegible] THE BOLSHOI PUPPET THEATRE OF LENINGRAD.

THEATRES

ADELPHI THEATRE. CC. 01-836 7611. [illegible]

ALBERY. [illegible]

ALDWYCH. CC. 836 6404. [illegible] ROYAL SHAKESPEARE COMPANY [illegible] CORIOLANUS [illegible]

AMBASSADORS. CC. 01-836 1171. [illegible]

ARTS THEATRE. 01-836 2132. TOM STOPPARD'S DIRTY LINEN [illegible]

ASTORIA THEATRE. CC. Charing Cross Rd. [illegible]

CAMBRIDGE. [illegible]

CRITERION. [illegible]

DRURY LANE. CC. 01-836 8108. [illegible]

DUCHESS. 836 8243. [illegible] OH! CALCUTTA! [illegible]

DUKE OF YORK'S. CC. 01-836 5122. [illegible]

FORTUNE. 836 2238. [illegible] MURDER AT THE VICARAGE [illegible]

GARRICK. CC. 01-836 4601. [illegible]

GLOBE THEATRE. CC. 01-437 1592. [illegible]

GREENWICH THEATRE. 01-858 7755. [illegible]

HAYMARKET. 01-930 9832. [illegible]

HER MAJESTY'S. CC. 01-930 6606. [illegible]

KINGS HEAD. 226 1916. [illegible]

KING'S ROAD THEATRE. 01-352 7488. [illegible]

LYRIC THEATRE. CC. 01-437 3686. [illegible] FILUMENA [illegible]

LYRIC HAMMERSMITH. [illegible]

MAYFAIR. [illegible]

MAY FAIR. 01-629 3036. [illegible]

NATIONAL THEATRE. 928 2252. [illegible]

OLD VIC. 928 7616. [illegible]

PALACE. CC. 01-437 6834. [illegible]

PALLADIUM. [illegible]

PHOENIX THEATRE. CC. 01-836 2294. [illegible]

PICCADILLY. [illegible]

PRINCE EDWARD. CC. 01-437 6877. [illegible]

PRINCE OF WALES. [illegible]

QUEEN'S. CC. 01-734 1166. [illegible]

RAYMOND REVUEBAR. [illegible]

ROYAL COURT. 730 1745. [illegible]

ROYALTY. CC. 01-405 8004. [illegible]

SAVOY THEATRE. 01-836 8888. [illegible]

SHAFTESBURY. [illegible]

STRAND. [illegible]

ST. MARTIN'S. CC. 836 1443. [illegible] AGATHA CHRISTIE'S THE MOUSETRAP [illegible]

TALK OF THE TOWN. CC. 01-734 5051. [illegible]

THEATRE UPSTAIRS. 730 2554. [illegible]

VAUDEVILLE. 836 9988. [illegible]

VICTORIA PALACE. CC. 01-828 4735-6. [illegible]

WAREHOUSE. Donmar Theatre, Covent Garden. [illegible]

WHITEHALL. CC. 01-930 6692-7765. Monday to Thurs. 8.00. Matinees Fri. and Saturday 6.15 and 8.45. IPI TOMBI The African Musical Explosion A pulsating riot of Dance and Song FOURTH GREAT YEAR

WINDMILL THEATRE. CC. 437 6312. Nightly at 8.00 and 10.00. Sunday 6.00 and 8.00. Paul Raymond presents RIP OFF! The erotic experience of the modern era. Now showing new second edition, new girls, new acts, new production.

WYNDHAM'S. From 8.30 am. 01-836 3028. Credit card bkgs. 836 1071. Mon to Thurs. 8.00. Fri. and Sat. 5.15, 8.30. "ENORMOUSLY RICH" Mary O'Malley's smash-hit comedy "VERY FUNNY." Evening News. ONCE A CATHOLIC "Sure-fire comedy of sex and religion" D. Tel. "MAKES YOU SHAKE WITH LAUGHTER" Guardian

YOUNG VIC. 928 6363. Last Week Eve. 7.45. Mats. Tu 2 Sat 4.30 Oxford Playhouse Co in Nigel Williams' controversial play CLASS ENEMY. "Explosive and savagely funny work" E. Std. "Superb acting." D. Mail. "The play wrings the heart" F.T. (See under OLD VIC)

CINEMAS

ABC 1 and 2, Shaftesbury Ave. 836 8861. Sep. Perfs. All seats bookable. 1. THE DEER HUNTER (X) Wk. and Sun. 2.15, 7.30. 70 mm Dolby stereo. 2. SUPERMAN (A) Wk. and Sun. 2.00, 5.00 and 8.10

CAMDEN PLAZA (Opp. Camden Town Tube). 485 2443. Oshima's EMPIRE OF PASSION (X). Progs. 2.25, 4.30, 6.45, 9.10. Last 2 Days

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube). 01-839 1527. 1. Elliott Gould, James Brolin CAPRICORN ONE (A) Cont. from 1 pm. 2. Last 2 Days! THE HILLS HAVE EYES (X). Peter Sarkworth, MR SMITH (X). Cont. from 1.15 pm. 3. Last 2 Days! Jacqueline Bisset, George Segal TOO MANY CHEFS (A). Cont. from 12.15 pm. Visit our New American-style SODA FOUNTAIN RESTAURANT. Open noon-midnight. Booking 930 1787.

CLASSIC 1, 2, 3, 4, Oxford Street 636 0310 (Opp. Tottenham Court Rd. Tube). 1. Alan Alda, Ellen Burstyn SAME TIME NEXT YEAR (AA). Cont. from 1.30 pm. 2. Last 2 days! THE HILLS HAVE EYES (X). Peter Sarkworth, MR. SMITH. Cont. from 1 pm. 3. THE CHANT OF JIMMIE BLACKSMITH (X). Cont. from 1.15 pm. 4. LEMON POPSICLE (X). Cont. from 2 pm.

CLASSIC, Leicester Square. 01-930 6915. 1. THE HILLS HAVE EYES (X). Peter Sarkworth MR. SMITH (X). Cont. from 12.50 pm.

LEICESTER SQ. THEATRE. 01-930 5252. THE PASSAGE (X). Sep. progs. Wk. 1.15, 4.45, 8.15. All seats bkble in advance at Box office or by post for 8.15 prog. Mon.-Fri.

ODEON HAYMARKET. 930 2738-2771. MAGIC (X). Sep. perfs. Wk. 2.15, 5.15, 8.15. All seats bkble at Box office or by post.

ODEON LEICESTER SQUARE. 930 6111. ASHANTI (AA). Sep. progs. Dly. Doors open 1.45, 4.45, 7.45. All seats bkble at Box office or by post. From March 22 Neil Simon's CALIFORNIA SUITE (AA). All seats bkble at Box office or by post. BOX OFFICE NOW OPEN.

ODEON MARBLE ARCH W.2. 723 2011-2. DAMIEN-OMEN II (X). Sep. progs. Wk. doors open 1.30, 4.15, 7.15.

PRINCE CHARLES, Leic. Sq. 01-437 8181. IN PRAISE OF OLDER WOMEN (X). Sep. perfs. Dly. (inc. Sun.) 12.40, 3.10, 5.55, 8.35. Late show Fri. & Sat. 11.15. Seats bookable. Licensed bar.

STUDIO 1, 2, 4, Oxford Circus. 437 3300. 1. An all-star cast in Robert Altman's A WEDDING (AA). Progs. 2.20, 5.10, 7.55. Late show Sat. 10.45. 2. Agatha Christie's DEATH ON THE NILE (A). Progs. 2.30, 5.25, 8.10. Late show Sat. 10.40. 4. THE DEER HUNTER (X). Sep. perfs. Daily 12.30, 4.05, 7.40. Late show Sat. 11.20. Seats bookable.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W.1. [illegible]

BROWSE & DARBY, 19, Cork St., W.1. [illegible]

CRANE KALMAN GALLERY, [illegible]

FIELDBORNE GALLERIES, [illegible]

FINE ART SOCIETY, 148, New Bond St., W.1. [illegible]

[illegible]

MARLBOROUGH, 6, Albemarle St., W.1. [illegible]

REDFERN GALLERY, [illegible]

WILDENSTEIN: [illegible]

THE PARKER GALLERY, [illegible]

LUMLEY CAZALET, 24, Davies St., W.1. [illegible]

CLUBS

EVE, 189, Regent Street, 734 0557. [illegible]

GARGOYLE, 69, Dean Street, London, W.1. [illegible]

FINANCIAL TIMES SURVEY

Tuesday March 13 1979

West Midlands

One of the nation's most self-reliant regions a decade ago, the West Midlands is now seriously considering the tactics being used elsewhere to cope with industries in decline. But though the recession has sapped confidence, it has fuelled demands that more should be done to provide new jobs and for greater delegation of Government decision-making to the area.

A need to escape the whirlpool

By Arthur Smith, Midlands Correspondent

"THE WEST MIDLANDS suffers from a weakening industrial structure, lack of self-confidence, neglect or opposition from Government policy, and a poor public image in the outside world". Those are the words not of a critic but of the region's own economic planning council.

The council is seeking support for the creation of an industrial and employment development association to unite regional interests in the campaign for more jobs and "fair treatment" by central government. It is ironic that the West Midlands, regarded merely a decade ago as one of the nation's strongest and most self-reliant regions, should now be considering the tactics so successfully employed by areas like the North East where traditional industries were in decline.

Officials throughout the region responsible for promoting industrial development will be meeting next week with leaders of the Confederation of British Industry and the regional TUC to discuss how best to progress the West Midlands' case for new industry. They will gather against the background of the news today from the regional council of the CBI that the local economy has taken a turn for the worse.

According to a survey of local companies the strike by petrol tanker and road-haulage drivers has severely disrupted business activity. Home demand and capacity utilisation have both fallen and exports have come under greater pressure. Company liquidity, it claims, has deteriorated further and wage pressures are increasing.

Unemployment in the region, at 5.4 per cent, remains below the national average of 5.9 per cent. But that is little comfort to a region that has become used to being the last to move into recession and the first to recover. The trauma of 1975 when the financial collapse of British Leyland, Chrysler and Alfred Herbert saw unemployment rise well above the national norm has undoubtedly aroused fears.

Worried

The planning council in evidence to support its case for a development association claims to have been "worried for almost a decade now by evidence that the West Midlands is performing badly even by the unpromising standards of the national economy."

According to the Census of Production, the region accounted for 14 per cent of national employment between 1963 and 1974 but its share of investment in manufacturing fell from 12.9 per cent to 9.8 per cent.

The council points to the disproportionate dependence upon just five key sectors: vehicles, metal goods and manufacture, mechanical, and electrical engineering. Those trades account for 70 per cent of manufacturing employment compared with 50 per cent for the nation as a whole.

"By and large the industrial sectors which dominate West Midlands industry are in trouble," the council maintains. Attention is drawn to the fact that in the case of machine tools, mechanical and electrical machinery, engines, jewellery and aircraft, employment is down by a third on the level of a decade ago.

The motor assembly and components industries, which are reckoned to offer direct employment for around 250,000 people in the region, are also under pressure from imports. "To complete the picture of a vulnerable regional economy, we know that the West Midlands has been slipping in the productivity, earnings and personal incomes leagues," the council declares.

The latest statistics show regional output per employee was 14 per cent below the national average. The rise in income from employment in the period 1971 to 1978 was lower in the West Midlands than in any region of the UK.

Blame for the present predicament is laid squarely upon the regional policies of successive governments who have encouraged expanding companies to relocate in the assisted areas. The local CBI and the West Midlands Chambers of Commerce still complain about the alleged restrictive impact of the policy of awarding industrial development certificates.

The region argues that not only have its traditional industries been persuaded or forced to expand elsewhere but that it has been starved of new processes, plant and technology—hence the pattern of poor productivity, reduced investment and low earnings.

Ministers would attempt to counter such arguments by pointing to the switch in Government policy away from general regional assistance with the ending of the regional employment premium in favour of specific industry aid schemes. The West Midlands has benefited from the State financial support for companies like British Leyland, Chrysler, Alfred Herbert, and the Meriden motorcycle co-operative.

Companies in the region have also taken full advantage of finance offered under the Department of Industry schemes to accelerate investment and to promote spending in sectors like machine tools and foundries.

Dr. Joseph Pope, Vice-Chancellor of Aston University and chairman of the planning council, acknowledges the shift in Government policy but disputes its effectiveness. He says: "My view is that regionally-biased assisted area expenditure still constitutes such a large proportion of the national resources available for industrial growth that it dwarfs industrial based selective spending."

Constraints

He maintains that the help for Leyland, Chrysler and Herbert has been more than offset by aid to the steel and shipbuilding industries which operate almost exclusively in the assisted areas.

Dr. Pope says the planning council demands are modest: it does not want massive financial subsidies, merely the removal of the constraints which prevent natural growth and development. He sees the role of Government as setting the correct climate for industry with a great deal of the action necessary to regenerate the region coming from within.

"If West Midlands industry is seriously to mount a technological challenge to Japan, Germany and the U.S., I believe it is essential that more decision centres are located in this region."

Dr. Pope has urged a greater delegation of executive authority to the West Midlands offices of government departments. He demands similar action by industry, trade unions and the banks. "It is in my view essential for the health of the West Midlands that decision making which affects the region comes back to the region. For too many companies whose major plants are in the West Midlands, the links of their London head offices with the City and the Government are stronger and more direct than those with their own product development staff," he says.

Though opinions may differ about remedies, there is general agreement between industrialists and trade unions throughout the West Midlands that the region has had a raw deal and that perhaps more should be done to give muscle to the campaign for new employment.

Arguing the case for promoting the region as a unit, the planning council points out there is little benefit if five county councils, two new town corporations and five or six big cities are all beating the drums: "Seen from Japan or the West Coast of America, the West Midlands is a small place."

But the very existence of a number of bodies already promoting different parts of the region will make it that much more difficult to find common ground. There are bound to be suspicions that any new organisation might undermine local initiative and advantage.

Whether and how quickly the planning council is able to get its idea off the ground remains to be seen. But prospects of any significant change in Government attitudes to the region this side of a general election seem highly unlikely.

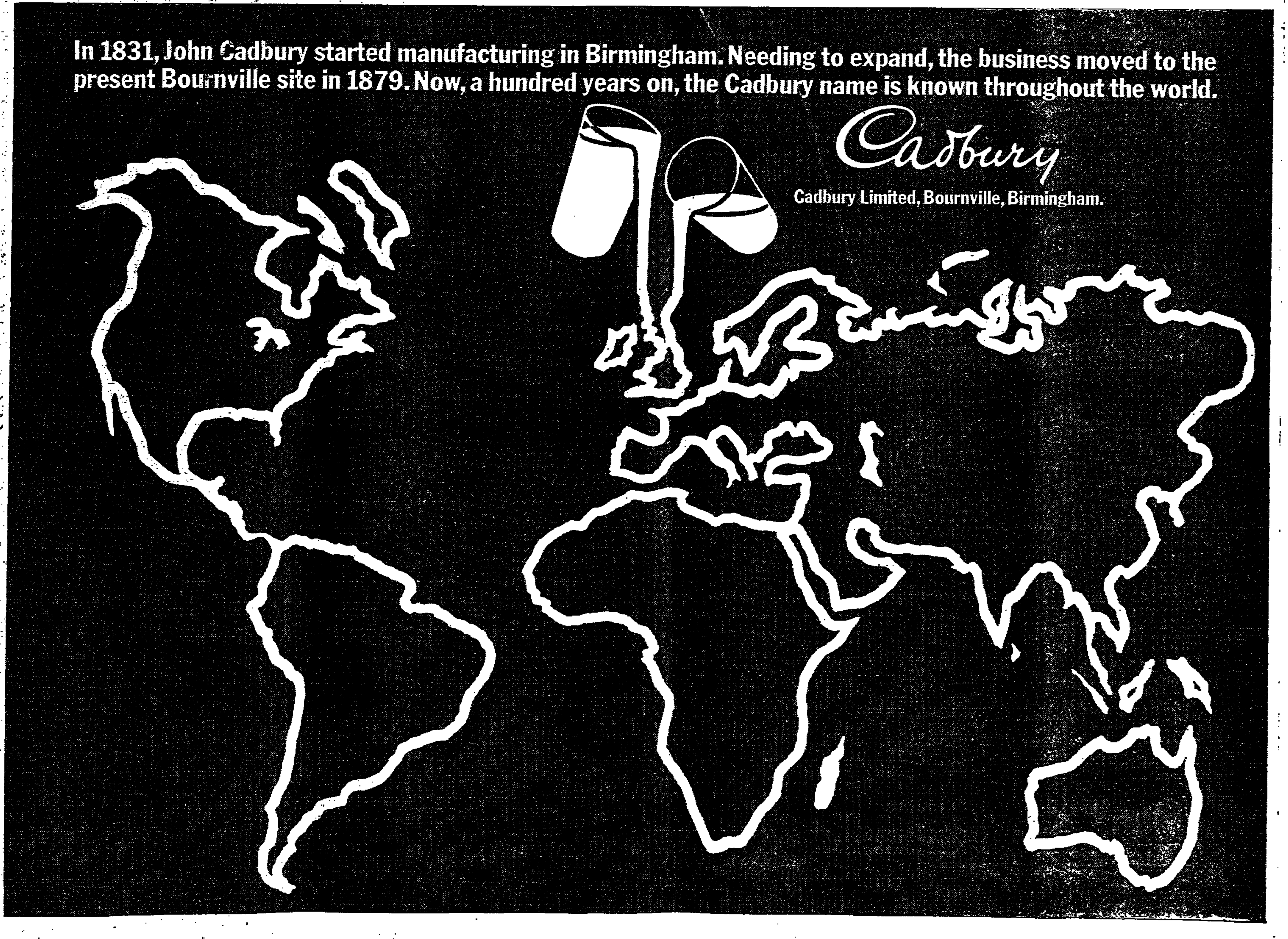
The Prime Minister was confronted with the problems of the region on a visit two weeks ago to Wolverhampton. Mr. John Bird, Labour leader of the Council, in an appeal for new investment in the West Midlands, maintained that Wolverhampton alone had lost 15,000 jobs in 15 years. Another 2,000 redundancies had recently been announced and the Bilston steelworks with 2,300 workers was also at risk together with several hundred ancillary workers.

Doctrine

Mr. Callaghan played a fairly straight bat. He conceded that the region was passing through "a transitional period" but he recommended the doctrine of self-help urging local people to draw upon their traditions of industry and enterprise. It was important, he said, to keep the balance ensuring that older industries were kept up to date while seeking openings in the market for new industries.

It is on the issue of whether Government is allowing sufficient opportunity for industry to take advantage of new openings that the doubt rests, according to Mr. Steve Rankin, regional director of the CBI.

Dr. Pope has already suggested that the Government might be over-confident about the resilience of the West Midlands. He has warned: "Economic instability is alarmingly near for the region and surely it must be wiser for Government to act now rather than to let things drift until Birmingham is another Liverpool and Coventry another Jarrow."



Potteries outshine other industries

THE POTTERIES can lay claim to being the region's most successful major industrial centre. Between 1970 and 1977 production increased more than twice as fast as for other consumer goods and no less than 10 times faster than in the rest of manufacturing industry. Investment and exports have been proportionately higher as well.

Putting this into figures, in these seven years output has increased by 37 per cent against 15.4 per cent for all consumer goods, and 3.9 per cent for all manufacturing industry. And while the wholesale price index moved 152 points, the value of pottery sales increased by a factor of three. In the last four years of the period alone annual sales nearly doubled.

About 60 per cent of the industry's turnover is in fine *bone china and earthenware* tableware and ornamental ware. Last year it was estimated to be worth about £225m. The same percentage of this sector's output was sold overseas, say £140m. Ten years ago the figure was only £25m. Progress of this order can be sustained only by sensible rationalisation, investment, production and marketing skills and, above all, by an experienced and committed labour force willing to retrain for the new jobs technical change brings about.

Before the 1939-45 war there were 700 potbanks. Today there are only about a tenth of that number of significant account. Of the many strands that have been shaping the pottery industry's destiny the dilution and supplanting of families by professional management has been very influential. No new family concern has grown up this century, but many have amalgamated or been taken over by *outside interests*. A number of tableware and other factories are controlled from America, for instance, while British companies such as Reed International have diversified into sanitary ware and other sectors.

Currently there is a merger battle between the sanitary ware group Armitage Shanks and Norcross (kitchen furniture and double glazing) over H. and R. *Jonhson-Richards Tiles*, one of the biggest tile factories in the world. The J-RT board favours Armitage Shanks as making the better sense, as do several influential voices in the pottery industry. A merger would create an all-pottery group worth about £48m, among the very strongest.

This kind of rationalisation has thrown up two dominant domestic ware groups in Doulton (strong in bone china) and Wedgwood (mainly fine earthenware), and four sanitary ware makers which produce about 80 per cent of all that sector's output, with Allied Insulators dominant in its own specialised field.

The formation of bigger, *more broadly-based* and stronger groups has been necessary also to take advantage of new equipment and techniques needed to sustain competitiveness and the export drive. The restructuring of the industry into groups big enough to be able to make their way in the world has helped create a much more confident, aggressive and confident management class which has done more than most other industries to beat the competition, or at least keep it at bay.

Expansion

But expansion in capacity and product lines to meet world demand will now be more difficult to justify. The weakness of the U.S. dollar in its top markets, high interest rates, coupled with unusually high absenteeism—about 10 per cent across the industry—making for lower productivity, have been serious problems during the past year.

On top of that, secondary picketing at the docks, resulting in wares being held up, some orders cancelled and boats sailing without having been able to *load consignments, have taken* their toll. As examples, Doulton alone had £2m-worth of tableware held back—one ship sailed for Australia with 80 instead of 800 containers and warehouses are choc-a-bloc.

Sir Arthur Bryan, chairman of Wedgwood, spelt out the problems the other day in a review of the first nine months' trading. Currency losses amounted to more than £700,000, and higher interest charges and a weak dollar were largely responsible for a decline in profit margins. Higher prices can help mitigate the worst effects of these factors, but there is an obvious limit to this course if competitiveness is to continue. Although the underlying strength of markets remains, a lot of uncertainty among home and overseas buyers has been awakened by the recent spate of outside strikes, and was evident at the spring fair at the National Exhibition Centre last month. Although all of the 1m sq ft of space was taken up, more buyers were said to be present and estimates of business down at around £10m were no worse than in 1978, many people detected a change in the atmosphere, warning of a more difficult year.

In these circumstances leading tableware and ornamental ware makers who have been reorganising marketing facilities such as warehouses and outlets in North America, developing sales strategies, and are backed by modern production plant, can afford to be reasonably cheerful about the long-term future. Others are right to be more apprehensive. It is thought that any company with a turnover of less than about £1.5m may find the going too hard.

There is an exception to this, however. In the process of decay and renewal several specialist makers of limited production ware have set themselves up and most are flourishing. The movement seems largely to stem from a rejection by leading designers and craftsmen of the big time. At *its* best their ware is truly a collector's item, in the mainstream of such designers as Doris Lindner, of Royal Worcester Spode.

One of the biggest of the other sectors is sanitary ware. Though badly hit in the UK market by the cutback in new housing, it has been benefiting from the roundabout of homes modernisation and Do-it-yourself. There has been a determined, and largely-successful, drive to go up-market with new designs of coloured ware to offset dormant sales of white ware. However, while coloured sales *may have been improving*, this may be more illusory than real, for though a higher proportion of coloured ware may be coming *out of* the factories, this is only, or largely, because demand for whiteware has *declined*.

Most factories are continuing at no more than 75-80 per cent of capacity, with 70 per cent of output for the home market going into home improvements and replacements. Until public sector building revives it is hard to see this sector of the industry regaining *a full stride*.

In fact sanitary ware makers in Western Europe as a whole seem to have been having a thin time, with export markets increasingly being contested by new indigenous factories. Others, like Nigeria—one of the best markets—have collapsed, and there is little prospect of world demand improving significantly. In these circumstances last year's £14m-worth of exports at ex-works prices out of a £65m turnover for this sector was encouraging, and *certainly* better than most other European industries could achieve.

With nearly half the pottery industry's costs being paid out in wages, the current round of negotiations with the *Ceramic and Allied Trades Union* is likely to be influential in determining whether the industry as a whole will achieve the ambitious targets it has set itself in world terms, or whether 1979 will see a break in the upward graph.

Settlement day for the pay claim is March 25. Significantly, the union is not asking for a percentage pay increase but a "substantial rise," and is believed to be thinking in terms of the 16 per cent going rate achieved in other industries. But the employers will be looking for a real increase in productivity, which has been falling, and a smart reduction in absenteeism.

Fortunately the pottery industry has extraordinarily good industrial relations, with never a strike worth mentioning so far. The tradition of disagreeing without the kind of action that paralyses whole sections of the motor industry is one of its great strengths, and a chief reason why it has been able to out-perform other manufacturing industries.

Peter Cartwright

Bright future for Exhibition Centre

LAST YEAR proved to be watershed for Birmingham's £40m National Exhibition Centre (NEC). The attendance of 909,094 at last October's Motor Show—½m more than the record for an Earls Court show—laid to rest any remaining doubts about the centre's ability to draw in visitors because of its location 100 miles from the capital.

At the same time Birmingham City Council, which provided the bulk of the finance for the centre, finally took the decision to restructure the NEC's debt, relieving it of an accumulated deficit which, despite three years of operating surpluses since it opened, had soared to £8.1m by March of last year mainly because of interest charges now running at some £4m annually.

The deficit, together with the deficits and surpluses of succeeding years, is being taken into the general rate account, although Neville Bosworth, leader of the Tory-controlled City Council, says that the £8.1m has been met from unallocated reserves and that none of the burden will appear in this year's expected 16½ per cent increase in Birmingham's rate demand.

Indeed, with the NEC already recording trading profits rather higher than forecast, city officials suggest that the cost to ratepayers of carrying the centre over the hump into net profits will be non-existent or negligible.

Except for a Central Government grant of £1½m, the £39.6m cost of the centre was raised by the council on the open market. Precisely in order to avoid imposing a burden on the rates, the NEC was charged with making capital and interest repayments from the moment it opened. Thus the centre has been at the mercy of market rate movements, and irrespective of how and by whom the burden is carried, on present projections the accumulated deficit for the centre will still be over £14m before net profits start to make their expected appearance in 1980-81.

Optimism

Not surprisingly, however, the city's action has been warmly welcomed by the NEC's chairman, Sir Robert Booth, who admits that otherwise the centre had faced having "its head eaten off" by interest charges.

Now, Sir Robert suggests, "by the mid-1980s you could say we shall be through the cloudbase and into the sunshine."

On performance to date, *there is some basis for* Sir Robert's optimism. While the first year of operations produced a trading surplus (albeit of only £108,000), that for the year ending last March, at £3.4m, was nearly £1.2m ahead *of forecast*. And despite the loss of the Toy Fair this year because of a problem over dates — and some paring of tenancy periods by exhibition organisers, the trading surplus for this year is expected to be only a shade under £3m, rather than the £2½m forecast.

So far the centre, set in a 350-acre green *field site seven* miles to the west of Birmingham, has housed 116 exhibitions and has attracted 5m visitors. With its million sq ft of space, which can be increased by a system of temporary structures, *it is allowing* Britain for the first time to plug firmly into the major European and other international trade exhibition circuits.

Exhibitions mounted to date include the International Spring *Fair (glass and hardware)*; Interplas, the International Plastics and Rubber Exhibition (notable for the large presence of foreign buyers, who accounted for 34 per cent of the attendance); the Mining Exhibition and the International Business Show.

The international trade show circuit tends to be cyclical, with individual shows held every second, third or even fourth year. The result inevitably is *some slack years* for the exhibition trade globally; others which are very crowded. The year to March 1980 is expected to be a relatively quiet one in terms of the NEC's growth rate so far, and the centre is not looking to an operating surplus of more than £2.8m. "But in 1980/81," observes Sir Robert, "our big problem is finding

CONTINUED ON NEXT PAGE

Manufacturers in cautious mood

CONFIDENCE AMONG West Midland manufacturers is in short supply and there is very little prospect of it returning in the foreseeable future, according to many bankers and financiers operating in the region.

West Midland firms show very little enthusiasm for pursuing opportunities for new investment—particularly as so many have only just finished trimming labour forces and learning to live more efficiently with a lower level of output.

The experience of the last three years has been to make industrialists more cautious about pursuing short-term trading opportunities. It is expensive to take on more labour only to have to lay-off workers or make them redundant when the contract is finished or the market turns down.

Opportunities for new lending are therefore few and intermittent and competition for new lending is tough among West Midland banks and finance houses.

Barclays reports that while a number of companies have taken the opportunity to increase their borrowing facilities in the last 12 months, this has not resulted in any marked increase in actual lending. "Major companies with a borrowing facility of £2m and above are in some cases utilising only around 20 per cent of this," says a local director.

To some extent this is because companies are currently more liquid than in recent years. But this does not necessarily mean that there has been a marked improvement in trading—although the industrial climate is better last year and profits generally did show some improvement.

However, the higher level of liquidity is also explaind by the increased level of deferred tax being utilised by companies and by the incidence in the last few years of Temporary Employment Subsidy.

One Birmingham clearing banker who looks after the interests of a number of carpet companies in the Kidderminster area, says: "Some of these firms would have been forced to close but for the cash they received from Temporary Employment Subsidies."

Concern

Some may yet close when EEC regulations come into force under which larger groups seeking the subsidy may find their claims being processed in the more austere climate of Brussels rather than in Whitehall.

The higher utilisation of deferred tax through stock relief has also boosted company liquidity. However, local bankers are concerned that a false position may develop, with companies seeking to maintain stock levels to avoid having to repay deferred tax. They suspect a number of cases where companies have brought in raw material stock to be on site on the day of the audit, only to sell this stock immediately the audit is completed — so as to qualify for stock relief.

But some bankers in the region are more concerned about the long-term effects on industries where individual companies which otherwise would have failed have been bolstered by subsidies such as the temporary employment subsidy. They recognise that a number of jobs in the region which would have been lost have been protected but stress that payment of TES can lead to unfair competition with the result that rivals that do not receive subsidies can come under pressure in turn.

Equally, industries are finding themselves maintaining more companies in operation than is viable for the sector. They cite carpet manufacturers as a case in point. The effect of TES and deferred tax on earnings within the corporate sector has led a number of British banks to question the traditional methods of measuring gearing—the relationships of borrowings to shareholders' funds—and West Midland bankers are no exception.

However, the improvement in liquidity and higher levels of retained earnings among a number of West Midland companies cannot be explained away entirely by subsidies and greater utilisation of deferred tax. Banks monitoring the performance of their customers say that many firms are more efficient than in previous years.

They say there are companies managing to make profits on 70 per cent. capacity when three or four years ago they undoubtedly would have been making losses. There are even extreme cases, particularly among the smaller concerns, where more profits are being made on two thirds of the capacity that were being achieved in the mid-1970s.

Comparison

The smaller companies in particular seem to have fared better than their larger rivals during the recession. They have found it easier to implement efficient production techniques and, more importantly, to trim labour forces, a much more costly and time-consuming exercise for the very large companies.

It is not surprising therefore that some bankers say their smaller customers had fewer problems during the recent road hauliers' dispute. It was much easier for a small casting firm to arrange privately for a lorry load of scrap to be delivered than, say, for ICI to cope with shortages in the vast amount of chemicals this group uses each week.

The hauliers' dispute appears to have had little immediate impact on many companies within the region, and banks and finance houses report that there has been no sudden uplift in demand for funds from companies in the aftermath of the stoppage.

Industry and commerce however is more concerned about the medium and long-term effect on exports as a result of the dispute. While reasonable levels of production were maintained generally during the stoppage, export orders were badly hit and manufacturers fear that there will be a subsequent loss of confidence among their overseas customers.

One Birmingham banker reports that he knows of a manufacturer who pulled out of negotiations for an export order during the hauliers' dispute because he believed he could not guarantee delivery dates. Failure to have met agreed delivery times would have jeopardised future business with this particular overseas customer.

The importance to Britain of the West Midlands region—the engineroom of the economy as it is sometimes described—is reflected in the increasing number of overseas banks that have taken office space in the centre of Birmingham.

There are now almost 50 British and foreign banks, and fringe banking operations with offices in the Birmingham area, while in terms of numbers of local directors alone Birmingham represents the most important banking area—outside of London—to clearing banks like Barclays.

Manufacturing dominates the West Midlands and therefore also tends to dominate various banks' portfolio of customers irrespective of the nationality of the parent bank. Five key manufacturing sectors — vehicles, metal goods, metal manufacture, mechanical engineering and electrical engineering — account for 68 per cent of the region's output, compared with 45 per cent nationally.

While none of these sectors has enjoyed the best of trading climates over the past few years the banks looking after their finances report that there has been no marked upsurge in companies failing.

This is due largely to the greater efficiency attained by companies and here the banks have provided a useful service through their advisory back-up teams which have been greatly strengthened in the region over the past few years.

The major clearing banks have long been entrenched in the Midlands where two of them, Lloyds and Midland, originated. Barclays and Westminster also have strong regional offices in Birmingham, where Barclays Merchant Bank is also represented.

Many of the big London merchant banks also have regional offices while the contingent of foreign banks which joined in the rush to come to the Midlands following the boom in new issue and takeover business in the early 1970s are represented by such names as Bank of America, Hongkong and Shanghai Banking Corporation, American Express and Banque Nationale de Paris.

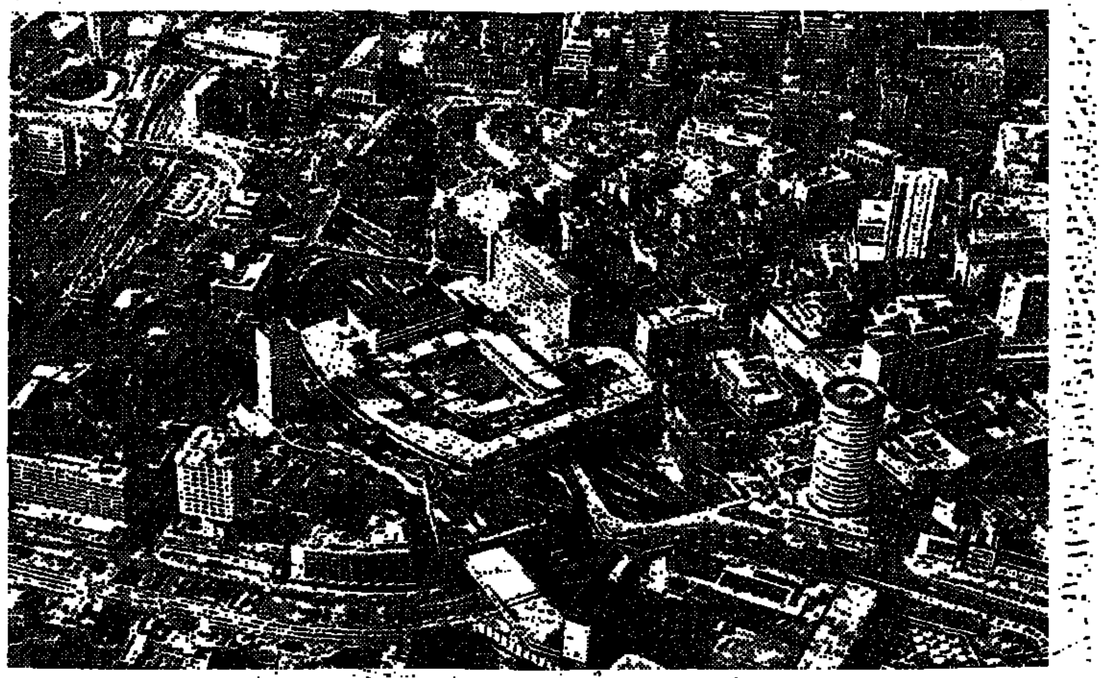
The Banque Nationale provides a local link between customers in the West Midlands and the bank's London office and its parent in France. It sees its role not just to serve French subsidiaries operating in the region but also to capture new business from the larger multi-national companies in the West Midlands.

Like other banks, it reports that trading generally is dull although it has recognised an uplift in demand from French companies in the area seeking investment funds. These tend in the main to be warehouse and distribution operations and demand for funds is a reflection of the sharp rise in imports into Britain last year.

There are other areas of banking in the West Midlands where business has improved. Demand for leasing finance is strong and rising, while Hill Samuel reports a rise in companies seeking acceptance credit facilities. It says finance directors are more conscious of the various methods available of raising credit and competition on interest rates among the banks is strong.

However, investment confidence generally among industrialists is poor. But the banks and financial institutions will continue to do a vital job in the region through their important advisory and back-up services.

Andrew Taylor



The importance of Midlands industry and commerce is reflected by an increasing number of British and overseas banking operations in central Birmingham

Exhibition Centre

CONTINUED FROM PREVIOUS PAGE

...ace for everyone who wants ...come."

That year should include the ...xt Motor Show, for which ...gotiations are proceeding ...med at a revised format to ...minate the excessive over...owding in the cars display ...ll which provoked consider...le criticism; the International ...inting Exhibition and the ...chine Tools Exhibition.

In that year the NEC is look...g to an operating profit of ...er £8m and hoping to make ... the first time, a sizeable ...nt in the size of its debt ...rden.

With a series of five- and ten-...ar contracts now falling into ... centre's net, it is expecting ...other fairly full year in 1981/82 and is already booked to ... per cent of practical ...cupancy. But in terms of ...nenting the NEC's prestige ... an international level, its ...jor coup is the securing of ... International Textile ...chinery Association's exhibi...n for 1983, against stiff ...position from a number of ...jor European centres.

The exhibition, considered to ... worth nearly £100m in ...eign currency earnings to the ...t country, will require the ...vision of 1m square feet of ...porary space—equal to the ...le of the NEC's permanent ...acity. To win the contract, ... had to build specimen ...porary structures to satisfy ITMA organisers that the facilities could provide suitable conditions—an important factor being close control of humidity levels—for the Association's exhibitors.

According to the West Midlands Economic Planning Council, the NEC has succeeded in capturing 81 per cent of the international exhibitions regularly held in the UK and just over hald of Britain's total exhibition business. And while there are only a half-dozen or so of the internationally peripatetic shows on the scale of ITMA, Sir Robert sees the prospect of substantial further growth for the NEC in Britain's own international shows.

Improvement

British industry currently spends only 6-7 per cent of its promotional budgets on exhibitions. Though this is an improvement on pre-NEC levels of 3.7 per cent, it compares very badly with European levels. West German industry, for example, allocates some 26 per cent of promotions budgets to the show circuit. Its importance is further reflected in the size of European exhibition facilities, notably the nearly 5m square feet of permanent space in Hanover. Clearly, persuading British companies into similar thinking, and thus boosting their exhibitions spending from the current level of £68m a year, forms a major plank of the NEC's growth strategy.

The NEC is following other avenues towards boosting occupancy and profits. Two weeks ago it was the setting for the International Showjumping championships; it is being used for concerts—Mike Oldfield and Johnny Cash are among those appearing—and to this end it has invested £½m in 9,000 moveable seating units to enhance the centre's flexibility.

Trade exhibitions, however, inevitably will remain overwhelmingly the biggest earner. Given the inauspicious timing and circumstances of the centre's debut—the bill for it was more than double original estimates and it began operating at a period of marked international recession — the pressures on the NEC to maximise revenue have been considerable.

As a result, when Sir Robert took over in mid-1977 he cut staffing by 15 per cent to 240 and added, from March of last year, 38 per cent to rent charges which had already risen by over 50 per cent the previous year. Increases now, says Sir Robert, are "purely a reflection of movements in inflation."

One of the difficulties involved in rent-fixing is that exhibitors work two years ahead, so there is inevitably scope for projections to go wrong. But despite the increases, which cumulatively have brought NEC rents much closer to levels prevailing in Europe, the crowed calendar for 1980-82 does indicate that the NEC has not exceded what the market will bear.

The impact of the centre on both the economic and social life of the West Midlands has been considerable. A two-year study undertaken by Aston University for the Department of the Environment and published last year concluded that the centre had created 1,200 full or part-time jobs and a further 1,100 casual jobs—mainly in the hotel and catering trades—and brought spending by visitors and exhibitors in the area of £21.8m in 1976-77 alone, with the figures since then substantially higher.

NEC officials say that during the past six years the amount of hotel accommodation in the NEC's catchment area—considered to be within a radius of 20 miles—has more than doubled from 6,000 to 16,000.

The centre is now well served by a motorway network which comes almost literally to its door, and British Rail has built a £5m rail terminal on the main London-Birmingham line giving access to the centre by covered walkway.

John Griffiths

Rocky road for the motor plants

A DETERMINED optimist might say that motor industry prospects in the West Midlands are looking better than for some years. The pessimist could take the view that the area has more than its fair share of sick companies. As usual, the truth probably is somewhere between the two extremes. Certainly the helter-skelter descent into disaster has been halted but how long will the reprieve last?

The outlook at BL, formerly British Leyland, for example, seems to change week by week depending whether or not there is an industrial dispute which looks likely to blow up into a major problem.

And BL is heavily represented in the West Midlands. Its main volume cars plant, the Austin Morris factory is at Longbridge where Minis and Allegros are assembled and engines are made for Maxis, Princesses and the Sherpa vans as well.

Compared with the Longbridge plant, which employs 19,000, the other Austin Morris plants in the West Midlands are relatively small—although they are medium-sized by the standards of any other industry.

Drews Lane employs 3,200 making component assemblies such as steering systems, suspensions and final drive systems. The Common Lane plant backs onto the one at Drews Lane, employs 2,000 and builds the Sherpa van which, although a commercial vehicle, is the responsibility of Austin Morris.

The Coventry engine plant *has 3,200 employees who re*condition car engines as well as turning out diesel engines for marine and industrial purposes.

Grouped

The Austin Morris plant at Cowley, which employs 8,000 assembling Maxis, Princesses and Marinas, is often grouped together with the Midlands establishments but geographically is not in the Midlands at all.

The separation of Austin Morris from the specialist cars business, now called Jaguar Rover Triumph (JRT), was seen by some people as a ruse by BL's chairman and chief executive Mr. Michael Edwardes to highlight any deficiencies at *Austin Morris, making it pos*sible to put a case for closure or further pruning.

But Mr. Edwardes has recently made it very clear he believes a BL with Austin Morris alongside JRT makes a much better business. Without Austin Morris the total BL distribution network would suffer—particularly in the UK—and BL would lose dealers to other makes. And they would be imported makes for the most part. The spin-off from the scale of production at Austin Morris to JRT is also very important and gives JRT an important edge over most Continental specialist car groups.

And he also pointed out that if Austin Morris could be made profitable—and he hinted that was a possibility even in 1979—many jobs could be safeguarded.

Mr. Edwardes did not deny, however, that further pruning might be necessary "particularly if there is irresponsible action by militant shop stewards." But closure of Austin Morris would prejudice BL as a whole.

If the timetable is not altered, the next potential flashpoint comes in May when the next "trigger" point in the parity payments programme comes along. The programme of parity payments aims to establish the same rate for the same job at all of BL's 34 plants which management considers essential if the pay bargaining chaos of the past is to be ended. When the January payment was not made because the management said productivity had not risen enough to warrant the first interim rise it looked possible that the company would be shattered by widespread strike action.

Employees voted about 2 to 1 against the shop stewards' call for strike action, however, even though there was a widespread feeling that the management took an unreasonably tough line over the parity payments.

So currently there is something of an uneasy truce and the BL management is attempting to explain more clearly to the *employees at the car plants ex*actly what they have to achieve to trigger the next parity payment. Mr. Edwardes continues to stand firm on the point that there will be no payment without increased productivity.

The outcome of this particular historic period in BL's chequered career means more to the West Midlands than to any other part of the UK.

*For, as Mr. Edwardes indi*cated, the future of JRT is bound up closely with that of Austin Morris. And JRT is a West Midlands business.

The Jaguar Cars plant is in Coventry at Browns Lane. It employs 5,000 assembling the cars. There is a support plant at Radford with 2,800 employees making gearboxes and engines for Jaguars.

There is a second plant at Radford. It supplies the Triumph main factory at Canley where 9,500 are employed. Another 800 are at Bordesley Green in Birmingham where Spitfire bodies are made and some work is done for Land-Rover and Range Rover.

The Rover plant at Lode Lane is really two plants in one. The 10,000 employees make Land-Rovers and Range Rovers in one section and Rover saloons in another.

There is a further group of smaller plants at Acocks Green making engines and transmissions for the Land-Rovers and Range Rovers. Acocks Green itself has 1,200 employees, the two factories at Tyseley between them have 1,600, there are 350 at Tyburn Road, 500 at Percy Road and 450 at Perry Barr.

At the Garrison Street plant 760 are employed making the Land-Rover chassis frames and trim. Range Rover draws its body assemblies and other components from Bordesley Green, as previously mentioned, and a very small establishment at *Clay Lane, with 120 employees,* makes hard tops for Land-Rovers.

As with BL, the situation at Chrysler is still hedged around with various uncertainties but looks decidedly brighter than a year ago.

The dramatic intervention of Peugeot-Citreon of France (PSA) with the purchase of Chrysler's European operations took the industry completely by surprise—and the UK Government as well—and could be indicative of future major structural changes in the industry.

Ironically, the deal caused the UK Government some heart-searching because Chrysler UK with a financially strong parent in the shape of PSA will undoubtedly offer stronger competition to BL than if it remained under the control of Chrysler U.S. which needs every penny it can earn and borrow to cope with the rush to produce new models to meet the forthcoming fuel economy and emmission control regulations in the States.

A Declaration of Intent signed by PSA and the UK Government did not exactly repeat various assurances about such things as employment and new models that Chrysler U.S. had given. The paragraph which underlined PSA's commitment to continued employment in the UK included the phrase that this "shall be to the extent consistent with prevailing economic circumstances." Many observers see this as leaving the way open for PSA to close plants in certain circumstances.

Chrysler Europe's new chairman Mr. Francois Perrin-Pelletier spelled out PSA's strategy in some detail at the Amsterdam Motor Show in February when he maintained "Chrysler Europe's personality will not be sacrificed. The PSA group's contributions are industrial and technical, and these are vital, but Chrysler Europe's new responsibilities will fall in styling and marketing."

Bank

All three companies in the group — Automobiles Peugeot, Citroen and Chrysler Europe— will contribute to a bank of components, including engines, transmissions and so on which remain anonymous and not associated with the brand name *of any one* vehicle. All three will draw from the same bank of components but use their own special skills to produce distinctive models.

The overall strategy for Chrysler Europe will be determined by an executive committee including the bosses of Chrysler France, UK and Spain.

Mr. George Turnbull, recently appointed chairman of Chrysler UK and who takes up full-time working with the group in April, will represent Britain.

By all accounts he has already had a favourable impact on employee relations within Chrysler UK—and that is important for the West Midlands which contains several of the key plants.

At Stoke in Coventry, which employs 3,543, engines, transmissions, rear axles and suspension components are made and the plant has its own foundry. At Rydon, on Coventry's outskirts, 2,043 are employed assembling the Alpine car. Chrysler's Special Products plants are at Coventry where 500 make plastic components like fascia panels and so on, and in Birmingham, with 284 employees, where various small components are manufactured.

At Baginton, also on the outskirts of Coventry, is Chrysler's car kit plant where 194 people pack kits for overseas territories, including the West Indies and New Zealand and—hopefully — Iran. Chrysler's headquarters and research and engineering facility, employing 1,700 is at Whitley in Coventry, and another 750 are at the Parts Division building in Birmingham.

While attention is mainly focused on the motor industry "giants" in the area, the fact that the West Midlands houses one of the UK's remaining few specialist car makers should not be forgotten. And that company, too, has come through some hard times.

Reliant Motor has three plants in the area. At Two Gates, Tamworth, it has its headquarters and assembles the Scimitar, Robin and Kitten models. Some 1,065 people are employed there. At Kettlebrook, not too far away, another 250 are involved making glass fibre mouldings for the vehicles and at Shenstone, 200 make alloy engines for the Kittens and Robins.

Reliant was formerly a sub*sidiary of the Hodge Group* but in 1977 it changed hands and is now part of J. F. Nash Securities, the mini-conglomerate controlled by Kettering financier Mr. John Nash. Reliant had been incurring losses for some years but under the new owners operations have been cut back to a point where, according to Mr. Nash, "fixed and other costs are now reasonably controlled and production is in line with market requirements."

The Society of Motor Manufacturers and Traders' statistics show Reliant's weekly average production in 1978 was 18 cars compared with 46 the previous year.

Although the accounts to September 30 last showed a net loss of £153,000, this included £603,000 in redundancy payments. So in real terms the company traded profitably in the second half of the year.

Now a *three-year develop*ment programme has been started during which £1m will be spent on modernising and improving products and production facilities at all three West Midlands factories.

Kenneth Gooding

Union fears about job prospects

THE CAUTION and uncertainty of West Midlands businessmen as they look into this election year and beyond is shared and reinforced by their counterparts in the trade union movement.

Gone are the days when the region conveyed an automatic impression of working-class affluence and immunity from the harsher realities of life as experienced in other parts of the country. The West Midlands now has its share of demonstrations against redundancies and plant closures; as a recent report on the proposed closure of the Bilston steelworks pointed out the unemployment rate in Wolverhampton, for instance, is higher than Yorkshire and Humberside, and the latter is an assisted area.

Trade union leaders in the West Midlands are unhappy that in spite of these problems the old image of easy prosperity persists and all the assistance goes elsewhere. "I understand the problems of the assisted areas," said one senior official. "But the Midlands is the powerhouse of the country. *Without a strong Midlands* we cannot be strong anywhere else."

Mr. Brian Mathers, regional secretary of the Transport and General Workers Union, is a member of the West Midlands Economic Planning Council which is currently updating its strategy for the next ten years. "Naturally employment looms large in the strategy and work done so far does not suggest an *immediately* rosy picture," he says.

The unions identify three specific areas of concern:

- The region's continuing over-dependance on the motor industry, allied to the difficulties of BL;
- Over-capacity in the rubber industry which is leading to redundancies in the West Midlands and elsewhere;
- *Rationalisation in the steel* industry.

Steelmaking has ended at Shelton, Stoke-on-Trent, after a long and emotional campaign to save the works. Now Bilston, in the very heart of West Midlands County, is on the danger list and local authorities have joined trade unionists in a fight to save it.

Closure of Bilston would cost at least 2,800 jobs in the already hard-pressed Wolverhampton area. Workers at the plant point to its good industrial relations record and say it was consistently profitable until *1977-78,* which coincided with the mothballing of its blast furnace. Bilston is the last wholly-owned BSC steel-making plant in the West Midlands and, say its supporters, has an outstanding reputation among local customers.

Shortage

Yet in contrast *to* the picture of unemployment and recession in parts of the West Midlands which could be drawn from areas like the steel and rubber industries there remains at the region's industrial heart —the engineering industry—a continuing shortage of skilled workers. Even in the present climate this is causing difficulties, particularly for smaller companies. Inability to recruit a single key worker can handicap a small employer and the problem will get much worse with an improvement in the economy.

In 1976-77 there were 543,000 craftsmen in engineering compared with 688,000 in 1968-69. Employers are understandably anxious about taking on large numbers of recruits for training during periods of recession and the intake of both apprentices and engineering graduates — although higher now than in the early 1970s—is still below the 1960s level.

The shortage of apprentices is made worse by the rate at which older men have been leaving the industry, often for unskilled jobs where their craft training is of no value. Research studies have blamed the compression of pay differentials—and, at least as important, poor promotion prospects and lack of status in comparison with white collar staff.

In an effort to revitalise recruitment the Engineering Industry Training Board has prepared bold plans—the word revolutionary has been used to describe them—for changing engineering training from time-based to craft-based principles. Young people would become full craftsmen—and entitled to the craftsmen's rate—after completing two training modules which, at least in theory, could be accomplished in two years.

To work effectively the scheme envisages a much closer relationship between industry and the schools to ensure that young people arrive at work properly equipped in the basic skills and ready to begin training. The proposals have received a mixed reception in the West Midlands — some employers are sceptical about the attitudes of the schools towards industry while most skilled engineering workers are hostile to anything which smacks of dilution of the apprenticeship principle.

The Amalgamated Union of Engineering Workers conducted a debate among its officials and members on the plans and some of the comments from people deeply involved in the West Midlands engineering industry included:

"There are too *many* unanswered questions, and we cannot assume that the education system can even begin to absorb the responsibility that the proposals assume it can and should. We have enough in the way of problems concerning the status and reward of craftsmen without appearing to devalue their present skills"—Mr. Ken Cure, *East Birming*ham District Secretary.

"I must report that the proposals did not meet with any enthusiasm . . . we are of the opinion that apprentices received a better basic training under the five-year scheme than modular training"—Mr. F. Byrne, convenor, Rolls-Royce, Coventry.

"The proposals are nothing like *what is really* needed and the danger of dilution of all-round skill far outweighs any possible advantages. The amount of time is too short. Current facilities for meeting even this limited change are totally inadequate"—Mr. I. J.

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Motor component suppliers in uncertain mood

ROSPECTS FOR motor com- ıonents suppliers in the West ɟidlands are mixed and there s a prevailing mood of uncer- ainty. It could hardly be other- vise with the continuing doubts :bout the long-term size and hape of the two major ssemblers in the region—BL nd Chrysler.

Generalisation about a sector vith such diversity is difficult; :ot only does the number of ompanies supplying the assem- lers run into many hundreds, ut they may manufacture for wide spread of other industries nd consequently have a depen- ence varying from almost othing to 100 per cent.

Though there can be no isputing the reliance of the egion as a whole upon the ehicles industry, the actual umbers involved can only be stimated. According to a egional study conducted by the ocal office of the Department f Industry, the car assemblers mployed 99,900 in 1975, with nother 103,400 components orkers directly dependent.

The combined total repre- ented nine per cent of all mployees in the West Midlands nd 18.8 per cent of those in ıanufacturing industry. Such :atistics, however, ignore eople employed in the impor- ınt commercial vehicles and ractor industries, and the ıousands of concerns providing ıaterials and support to the omponents companies.

The Midlands components ıdustry has grown, prospered ıd become an important xporter largely on the strength : the domestic vehicle assemb- rs. They provided the steady olume of orders from which it as possible to launch into new roducts and overseas markets. ut that base is steadily being roded.

Solace

Car output last year, despite 20 per cent increase in total K demand at 1.59m vehicles, ipped 7 per cent to little more an 1.22m. Just seven years rlier British companies were rning out 1.9m cars. Industry recasts suggest performance ll be little better this year.

Similar problems face the mmercial vehicles sector ıere output last year dropped per cent to 383,000 regardless a nearly 14 per cent jump in e UK market. Production this ar is expected to be only arginally improved at around 0,000 trucks.

Even the tractor industry, hich has offered some solace Midland component com- ınies in previous difficult mes, shows little promise. The oventry-based operations of assey Ferguson, the Canadian ultinational, have been hit ard by the latest world down- urn in sales of agricultural actors. Components suppliers elieve the trough may have ottomed but see no prospect of ders bouncing back to former vels.

Nor does the profitable parts placement market appear to fer the growth potential emonstrated over the past ecade. The upsurge in sales imported cars means replace- ents will increasingly be sup- ied from abroad. If the cars ought in by Ford, Vauxhall ıd Chrysler are included, im- orts already account for nearly alf UK sales. One gloomy recast circulating in Whitehall ıdicates that foreign cars may ave grabbed 61 per cent of K new registrations by 1981.

The year has hardly got off to good start for the components ıdustry. Suppliers report that L Cars' weekly offtake of components has been running at around 10 to 15 per cent below schedule, largely because of industrial disputes which have included the petrol and road haulage drivers' strikes and a six-day walkout by the 20,000 workers at the Longbridge plant, Birmingham.

At Chrysler, the political and economic troubles in Iran have had serious consequences for the Stoke engine plant, Coventry, which supplies component kits for assembly by the Iran National Car Company. Production was halted at the beginning of last month and nearly 1,500 Midland workers given notice of possible redundancy.

Disruption of the Iran contract, which accounts for nearly 50 per cent of output at Stoke and is worth more than £100m a year, has serious implications not only for Chrysler but also for local components suppliers.

Perhaps one of the most dramatic illustrations of the affects of the decline of the UK assembly base is provided by the tyre industry. Other factors are clearly at work, but the inroads made by foreign car imports have contributed to the present excess capacity and need for rationalisation. The Midlands has not escaped the cuts, with Goodyear slimming its Wolverhampton workforce and Dunlop seeking a cut of 550 jobs at its Birmingham factory.

Tyre producers are expected to make early representations through the British Rubber Manufacturers Association to the European Commission about alleged dumping by Comecon countries. Cheap imports have merely compounded problems caused by the introduction of steel-braced radials, a technological advance that has almost doubled the useful life of a tyre to around 40,000 miles.

The castings industry is also suffering from the twin impact of weak demand for cars and tractors. Birmid Qualcast is to make 160 workers redundant at its motor cylinder plant, Birmingham, from the end of May in only the latest of the rationalisation moves which now seem inevitable in the foundries sector.

The response of Midland components companies to the present challenge is likely to depend on which of the three broad categories in which they can be grouped.

Opportunities

There are the majors, like Guest Keen and Nettlefold (GKN), Lucas and Automotive Products (AP), which are able to take advantage of their technological expertise in breaking into the growing U.S. and European markets. With the move by the American corporations towards the smaller, less fuel-hungry cars, GKN is establishing a U.S. plant to manufacture its universal joint products; Lucas is to produce electronic injection equipment; and AP is to supply clutches.

There are also opportunities for specialist companies which do not need to originate new products but are prepared to copy the best European practice. Britain has a range of companies which can take advantage of demand whether at home or overseas for items such as oil seals, rubber products, floor coverings and trim materials.

The third category, where Midlands companies seem at most risk, is in the supply of the thousand and one sub-contract parts for which the region has become noted. Few people are able to identify exactly where and at what price the components will be provided; the only certainty is that some supplier can be found to meet the requirement.

The study undertaken by the West Midlands office of the Department of Industry offers little encouragement that companies seeking to diversify away from the motor industry or into exports will meet with much success.

Obstacles

Of the companies interviewed, only 7 per cent had been partially successful in moving into non-car work. Reasons given for failure included the lack of experience by sales staff, plant and machinery geared too closely to specialist car components, and inability to find high volume alternative products.

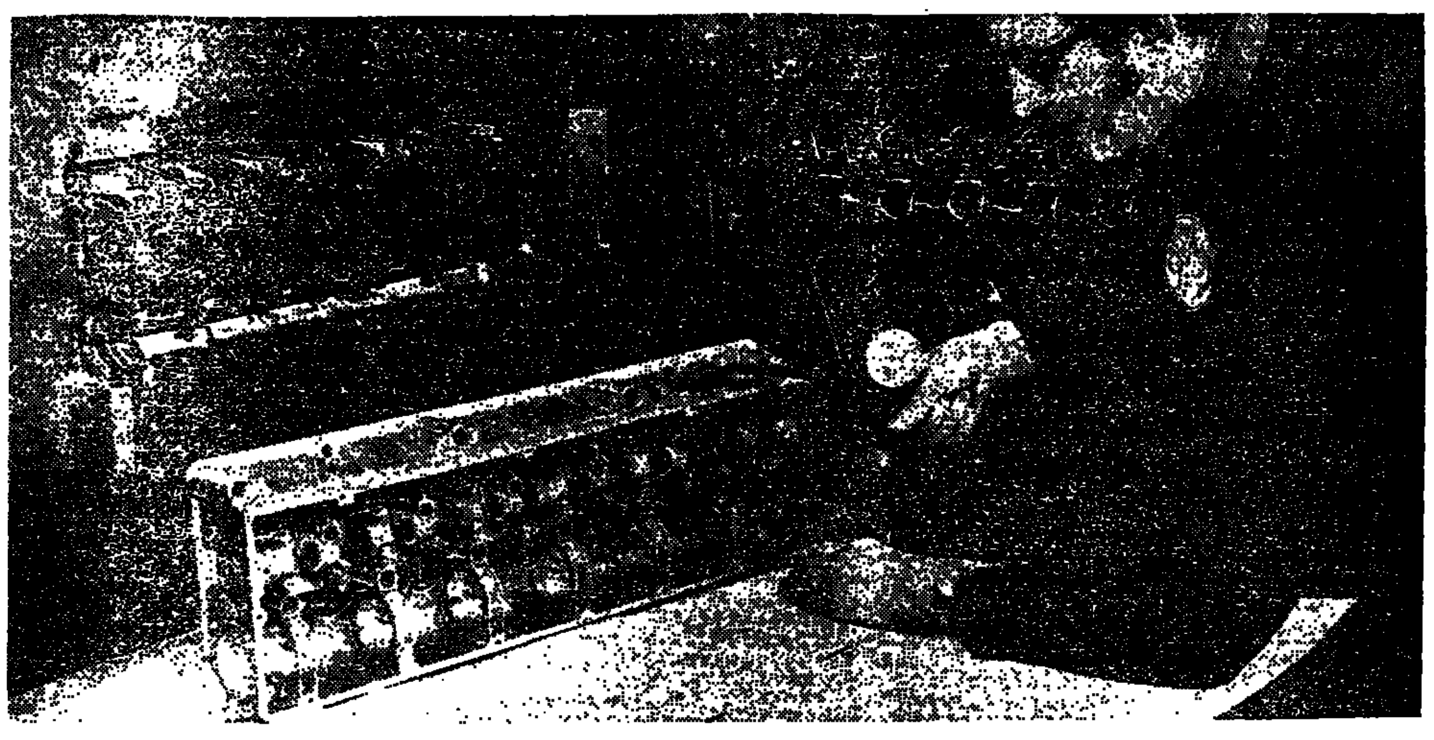
On exports, two-thirds of the companies interviewed did not sell overseas and, of those that did, three out of five exported less than 10 per cent of total output. Obstacles to expanding markets abroad included the problems of international competition and spare capacity; the fact that most car assemblers preferred to buy components from their own local suppliers; large companies might prefer to manufacture overseas rather than export directly.

Rubery Owen, although large, is typical of the companies at the heavier end of the industry making bulky castings which are costly to transport. Mr. David Owen, managing director of the holding company, is one of those who stresses the need for new investment to be made now into the vehicle assembly industry if Midland companies are not to suffer.

Around 60 per cent of the output from his motor components division at Darlaston goes to BL. In the past 18 months the labour force has been cut by 20 per cent, largely as the result of anticipated lower demand from the State-owned concern.

Companies like GKN, Lucas, AP and Associated Engineering identified the trends early and have the know-how and muscle to move into new markets. But for many Midlands componets companies any further deterioration in the position of BL or Chrysler could have serious implications.

Arthur Smith



The castings industry is among components suppliers cutting back because of weak demand. Here, a high-pressure die-casting for Rover is checked after being made

Job prospects

CONTINUED FROM PREVIOUS PAGE

Bennett, convenor, Automotive Products, Coventry.

The debate ended with the AUEW national committee re- ecting the proposals last month. There is a general recognition n the industry that changes are equired, not just in apprentice raining but in the re-training of xisting craftsmen to meet tech- ıological change and in the pro- lems of employing adults ualified at Government train- ng centres. But old attitudes lie hard and the subject is often wamped in the hurly-burly of nore immediate industrial rela- ions issues and receives less ttention than it deserves.

The West Midlands has xperienced a considerable hare of this hurly-burly in ecent months. Strikes by anker drivers, lorry drivers and ublic sector workers have all itten hard in the region with ts strong trade union organisa- ion. This winter has left mployers particularly con- erned about the extent to vhich, they believe, full-time ınion officials are losing con- rol to shop stewards or un- fficial committees.

However, Mr. Mather says that "horror stories" which have come out of one or two well publicised disputes are untypical of the majority of pay negotiations in the region. These have, he says, been accomplished without disruption and with levels of settlement which can be defended as responsible.

In the engineering industry the annual national negotiations in which so many West Midlands employers and workers have an interest are now in progress. The Engineering Employers Federation says that the total claim, for £20 per week increases in the basic craft rate and a range of other benefits, would cost the industry up to 50 per cent.

The negotiations are being handled for the first time this year by Mr. Terry Duffy, now president of the AUEW and formerly a West Midlands official. He is a strong believer in the equalisation of working conditions between the manual workers whom he represents and white collar staff. Consequently condition elements of the claim, most of which more often than not disappear in the early stages of negotiation, have a particular importance this year.

Alan Pike

Engineering gloom

ACCEPTING ALL that can be said about the resilience, enterprise and diversity of engineering industries in the Midlands it is nevertheless depressingly true that only one in four concerns is working at full capacity, nearly half at 80-100 per cent and a further one in four at only 60-80 per cent. Nor is there any firm indication that this situation is likely to change very much this year.

Recovery on any general scale is likely to be slow and painful. In the past few years the Midlands has been falling behind national averages in terms of investment, output and earnings and the trend shows no sign of changing. The vehicle industry, to which its fortunes are so closely linked, has been performing poorly. There is certainly little to be cheerful about.

Yet a year that started with so little prospect of a silver lining and saw—beside road vehicles—the tractor and farm equipment industry in difficulties, as well as large-scale redundancies in the tyre factories, the closing of steel stockholding interests, the collapse of carpet companies, and sundry other misfortunes nevertheless ended for most people, including those making capital plant, better than they had thought possible.

Engineering and allied trades, together with metal manufacture, employ one out of three of all 2.2m working in all industries in the region. If the net is more widely cast to include vehicles it would embrace two in three of all those in manufacturing industry and account for more than two-thirds of total output.

Evidence

New technologies are knocking hardest at the doors of the engineering-based industries, so that in any case the Midlands would be likely to have to face more difficult problems in adapting than most other regions. It is arguable that neither in investment, nor retraining, nor acquiring necessary management skills is the pace of change fast enough.

On the other hand there is evidence that despite all the redundancies and problems of lost or changing markets, adaptation is gathering pace, that new products and new jobs are being created. In the past year the numbers employed in all industries has gone up just a little, by 10,000 or so, but enough to remind one that the years of new enterprise is working to good effect.

Inevitably the Midlands industrial scene is most heavily coloured by its motor industry, from which sprang its post-war prosperity — a veritable larder of successful enterprises that was raided by one government after another to try to breathe new life into the development areas. What so clearly emerged in the course of time is that one cannot strengthen the weak by weakening the strong. For example, both Linwood, the taker, and Coventry, the giver, as centres of motor production have had to be propped up. And the only reason why more of the motor industry has not had to be shored up financially to preserve jobs is because it has sought its future — and very successfully — in overseas markets.

Besides being the country's greatest centre for vehicle and component production, the Midlands is also a great sub-contracting region for UK and, to a developing extent, overseas based companies, especially American. While there has been a good deal of diversification among companies which traditionally had been tied almost exclusively to the vehicle industries — cars, trucks, tractors, motor cycles, and cycles, besides fork-lift trucks and construction equipment — there has been a counter-trend by new groups to go into component production for the European replacement market.

Birmingham and Coventry and their hinterlands are the principal centres for motor vehicle and tractor production, as well as for considerable sector of the machine tool industry. The strikes and industrial action in these two places have been well documented — too well documented, many would say, to the extent that it has given an entirely false picture of the region, especially in the foreign Press.

The further one gets away from the motor industry the more promising the industrial prospect becomes in many instances. Even on the boundaries of the region, in Hereford, famous for its pedigree bulls, world renown also attaches to its nickel plant, whose products fly round the world with Rolls-Royce aero engines, and to a leading maker of compressed air dried refrigeration systems.

Worcester is not only the home of Royal Worcester Spode and the much sought after ceramic figures but the birthplace of a new aluminium superplastic light alloy that is attracting attention by the U.S. car producers desperate to reduce weight to improve fuel economy. It has also seen the revival in the fortunes of Redman Heenan International, one of the city's chief engineering companies. Its recently introduced advanced dynamometer for test purposes has captured the interest of Chinese and American customers.

To the north west is Stafford and Stoke-on-Trent—the Potteries. Besides housing one of GEC's key plants, Stafford also sends sophisticated laboratory and other glassware round the world—engineering in a plastic material. Further west in Shropshire is Telford, a new town which like its counterpart Redditch to the south-west of Birmingham has attracted a variety of engineering industries.

Coming closer to Birmingham, on its western flank, is the engineering complex of the Black Country where one can get anything from an atomic energy pressure vessel to a pin. Even Birmingham has a thousand different engineering-based enterprises, while Coventry's biggest single employer is GEC Telecommunications. Courtaulds has a big textile and research establishment and Dunlop a very advanced engineering company in the city.

Innovation

Although the dispersal of expansionist elements of industry to development areas has robbed the Midlands of much-needed new growth points, its reputation for innovation and adaptation remains high. But neither this nor diversification has been sufficient to compensate for the inroads of generally excellent competitive products made by relatively cheap and docile labour in the Far East. It has needed both massive injections of capital into the motor, machine tool and motor cycle industries to keep them alive, as well as substantial grants for new buildings and equipment in some of the key industries.

The most successful Government-aided scheme was that for ferrous foundries, which finally peaked out at £80m, indicating projects of around £300m, perhaps half of which related to the Midlands. Certainly the scheme has been extensively taken up by ironfounders, who contribute half the national total output. The non-ferrous scheme, worth £20m in grants, was slower off the ground and applications can still be submitted until July. Half those so far received are from the Midlands. Three-quarters of the 70 applications for projects valued at £19m under the drop forging scheme have also come from the Midlands. This is a smaller scheme involving £5m grants. All of them offer 25 per cent of approved expenditure on plant and 15 per cent on buildings. The final result should be to revitalise important sectors of Midlands engineering.

Among other Government initiatives has been the help for small companies being master-minded by Mr. Harold Lever, Chancellor of the Duchy of Lancaster. In Birmingham the other day he pledged to turn them into magnets for investment and talent. "The dice has been loaded against them, not out of spite, out of boneheadedness," he admitted.

This is good news. Some 87 of every 100 establishments in the Midlands employ 11-100 people, equal to 30 per cent of all manufacturing employment. The various schemes have helped to bolster a sagging Midlands economy, and some are actively beginning to produce results in the shape of more competitive or new products, and to help open markets. They are not enough, however, to generate the tempo of change necessary to restore the Midlands to its erstwhile prestige and prosperity. The amount of financial help per head lags behind that granted to other regions, and claims for it to be increased have been unsuccessful.

In the circumstances, setbacks caused by industrial action, and especially the lorry drivers' strike, have widespread and damaging effects. Medium and small businesses which are members of the Engineering Industries Association, and the seed corn of future prosperity, were complaining the other day that the strike had led to a fall in orders, and therefore of profit for investment, while high costs of borrowing made investment targets even harder to hit. In addition the aftermath of the strike had made it difficult to replenish stocks used during its duration, and there was also a shortage of vehicle parts to keep company vehicles on the road. Most thought it would be several months before the pre-strike situation could be restored.

In all it has been a gloomy start to the year for those—and there are many—who have to rely mainly or solely on the home market. Not even the multi-product, multinational engineering groups are willing to risk making a firm prediction of what the future may hold.

Peter Cartwright

Optimism at Rubery Owen

RUBERY OWEN is as synonymous with the motor industry as the motor industry is synonymous with the West Midlands. A major supplier of motor components, this privately-owned group is now under the management control of the fourth generation of the Owen family.

It is a company that has enjoyed mixed fortunes over the years, though it was not until 1970, when legislation required greater disclosure of financial information by private companies, that a real assessment of the group's performance could be made. Then, it emerged that trading profits were £1.3m for 1967-68 on sales of £59.2m. Now, 10 years later, earnings are unlikely to reflect a growth rate to compensate for inflation. The 1977-78 figure, yet to be announced, will show an increase on the previous year, but that was a period when the group was re-emerging from heavy losses, earning profits of £1.3m.

During the 40 years the group was under the benign direction of Sir Alfred Owen it expanded rapidly, with its interests ranging from nuts and bolts to axles, wheels and hydraulics. It was a period when paternalism was still an almost unquestioned mode of management and when glamour pervaded an otherwise unglamorous assortment of activities as a result of Sir Alfred's support for the BRM racing team.

Today, however, the money-eating motor racing activities, which never managed to sustain other than brief moments of glory, are sustained by Sir Alfred's sister and brother-in-law, and a number of activities have been sold off, leaving Rubery Owen in a much more streamlined shape. Compared with a heyday figure of more than 18,000, the total number of employees is now fewer than 10,000 worldwide, with 7,500 in the UK. And where Sir Alfred, who died in 1975, held the group close to his chest, his son David, now its chairman, would be only too happy if the right conditions were to combine to enable Rubery Owen to go public. Clearly a private company of Rubery Owen's stamp, with a large appetite for funds for capital investment, is a heavy burden and very demanding on family resources.

Yet David Owen remains surprisingly optimistic, both for his company and for the region as a whole. It is, he says, "good to see British Leyland re-emerging as a positive force," a situation of no small significance to Rubery Owen given the considerable business that has existed between the two for many years. This is particularly so with the Darlaston company, formed in 1905 out of the original Rubery Owen company and about 80 per

PROFILE

cent dependent on the motor industry with about 65 per cent of its production of wheels, axles and other components going to BL.

However, Darlaston has not escaped the effects of competition, recession and reduced output in the motor industry and in the past 18 months or so has had to reduce its labour force by 20 per cent. David Owen has complained that not enough is being done to maintain Britain's position as a vehicle assembler and has argued that the country is not taking the five- to ten-year view, with the consequent need to start investment now.

But if BL's position is giving David Owen cause for some optimism, he considers that nuts and bolts and other industrial fasteners "must be an area of concern." He suggests that "the basic problem is overseas competition based on low steel prices. I don't think that British manufacturers are less efficient." Fasteners also remain a key element in Rubery Owen's products, with customers including not only BL but Ford, Vauxhall and others such as Seddon Atkinson, the truck manufacturer.

The retrenchment that has taken place at Rubery Owen over several years has been designed specifically to slim activities down to areas where David Owen feels there are particular strengths. Therefore two weaker areas have been sold off in the past two years—the Conveyancer company to Coventry Climax in 1977 and the Karritainers subsidiary to Ferranti in 1978.

David Owen says of these moves that they were in response to his company having "over-diversified." He had tried therefore to concentrate on the more successful lines. To do so had not been possible using finance raised, for example, by a rights issue, since the company was private, so sales of assets had been necessary. "It is a policy that personally goes against the grain, but I realised that it had to be done," he says. And he also makes the point that Rubery Owen had not been able to go public because it was realised that "we weren't attractive enough until we had completed restructuring."

Part of that restructuring has led to expansion of agricultural equipment interests, a move which David Owen maintains has reduced the group's reliance on the motor industry. He insists that agricultural machinery is a very different market from the automotive one and, in fact, the manufacturing and distribution activities in this field now comprise the group's biggest division, just ahead of the once-dominant Darlaston-based motor component business. Further developments have been a range of valves produced by Rubery Owen Hydraulics for sale outside the motor industry.

"Basically, what we have tried to do is invest in strong areas in the motor industry and outside," he says. For the past

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IMI a barometer of industry

Mr. Eric Swainson, manag- director of a company with 520m turnover and 33,000 loyees, management has made more difficult in nt years: "I am not advo- g a return to Victorian alism, but I do believe agement needs more power ncourage good performance to discourage bad. The tions a manager can deploy the incentives he can offer very small."

complains of the lack of ic sympathy for indus- sts and the fact manage- is forced into an environ- where an excessive unt of time is consumed by strial relations problems.

chief executive of IMI, erly Imperial Metal Indus- Mr. Swainson's views weight. They are ex- ed calmly, and reflectively, n be expected from a man with a first in metallurgy d the research department hat was then ICI metals ion in 1946 and acquired management skills through rience at the sharp end of stry.

s concern with the wider s that confront manage- stems in part from his it two-year term as chair- of the West Midlands n of the Confederation of sh Industry. It is signifi- that IMI, an international any with overseas sub- ries accounting for around er cent of turnover and 60 manufacturing plants ghout Britain, should re- a force within the region.

e company headquarters in at the Witton site, Bir- ham, a 230-acre industrial lex set amid the back- ts of Aston only a few red yards from the famous football club. A number e company's 37 largest sub- ies, whose activities range the collection of scrap to the production of sticated components for ift, are based at Birming-

ntity

was formed in 1962 as olding company for ICI's sts in non-ferrous metals, in the ensuing years ded and diversified to a completely separate ty. The company has t to strengthen its position aditional operations such e manufacture of semi- ed products—tube, sheet, nd wire—from copper and oys and "new" metals like um.

wever, because such busi- is both highly competitive yclical IMI has also moved products with higher added requiring more fabrica- The decision in 1966 to h IMI as a public com- but with ICI retaining the of the equity made expan- by acquisition easier. g the notable purchases Enots and Norgren Ship- International, both of which in the compressed air ment sector.

e announcement in October, that ICI was to sell its olling 68 per cent holding e public for £68m, though used surprise at the time, a natural move. ICI made that its role was primarily that of an investor; there was a logic to concentrating activities in the chemical and related fields, leaving IMI to go its own way.

Mr. Swainson maintains that the ICI divestment has made very little change. The few services provided by ICI have been replaced. "We do have more freedom to operate and make decisions more quickly. But even that sounds rather grandiose. Our investment plans remain the same and it has not really changed our view of operations."

He points out that the management structure at IMI was already much different from the centralised pattern usually associated with ICI. Along with the policy of acquisition and expansion over the past decade has gone a commitment to decentralisation with line management assuming authority and responsibility.

PROFILE

Operations fall within the purview of some 50 subsidiary companies each with a managing director and local Board or management committee. Such local teams will have six to eight members representing, for example, marketing, production, finance and product development. They work within an agreed budget with certain constraints upon purchasing, personnel policies and research and development.

"One of the virtues of our structure is that executives get experience of general management at a relatively early stage of their career. These are usually people in their thirties who in addition to their own speciality are confronted with the problems of other parts of the business. Under a centralised system it may be many years later before executives get such a broad vision."

Mr. Swainson underlines the importance of local control: "We try to make the line manager who bears the profit responsibility the prime mover but he can call upon central services when required."

IMI results for the calender year 1978 announced just two weeks ago showed that sales had broken the £500m mark for the first time, at £524m. In spite of an estimated 5 per cent increase in real output, margins were trimmed and pre-tax profits slipped £2m from the record £34.2m achieved the previous year.

The results reflected the mixed performance of the various IMI companies which are usually grouped into six broad areas: building products, heat exchange, fluid power, general engineering, zip fasteners, and refined and wrought metals.

The building industry takes more than 20 per cent of IMI's products, which range from copper tube and fittings to taps and showers.

Also performing well is the heat exchange sector which produces equipment for the chemical, aircraft and electronics industries. Products include radiators and oil coolers for cars and commercial vehicles, and air-conditioning and refrigeration equipment.

The IMI fluid power group is offering an increasing range of pneumatic components to take advantage of the growing demand for such systems. Both output and profits increased last year, with CA Norgren, in the U.S., expanding orders by 20 per cent. The recent acquisition of Whittaker Hall, renamed IMI Fluidair, has added rotary compressors to the range.

More than 20 per cent of IMI's total sales go to the engineering industry and the company claims scarcely a British car, washing machine or television set does not include one of its components or raw materials. Results last year were mixed but an area of recent expansion—special purpose valves—provided one bright spot. Success has been achieved in winning orders for North Sea oil installations. Acquisition of Samuel Birkett, with an annual turnover of £3m, has strengthened the company's position in safety relief valves.

Eley Ammunition, a name known to shooting enthusiasts, had a poor year under pressure from weak demand and intense competition, largely from France and Germany.

IMI has a 50 per cent share in LF/Opti, which is among the three largest producers of zips in the world with factories throughout Western Europe, North America and the Far East. Markets have been hit by increased imports of finished clothing, and some 1,200 jobs were cut in Europe last year. Losses were suffered in some important areas while profits fell sharply in others. Sir Michael Clapham, the IMI chairman, has warned that "further retrenchment and rationalisation will be necessary."

In the refined and wrought metals sector, IMI is determined to continue investment in order to remain competitive. One area where output will be expanded is in titanium, the demand for which has increased dramatically with the upturn in the aerospace industry. IMI is the sole UK producer of the metal.

Looking to the development of IMI over the next 10 years, Mr. Swainson does not think there will be any major changes in activities, but the balance will be different. Zip-fastener operations, for example, are likely to be reduced in Europe but show some growth in the Far East.

Expand

Two trends which he identifies are the continued move towards products involving greater fabrication, and the drive to expand overseas sales. Direct exports are already close to £100m and, when sales by overseas subsidiaries are included, the total moves to more than £200m, or around 40 per cent of IMI's turnover.

Mr. Swainson maintains that any expansion abroad will not be at the expense of the UK. However, he points out that, because IMI activities overseas are already concentrated in higher added-value products, development there would also supplement efforts to expand the more profitable lines.

Interest in the company's performance will not be confined to the West Midlands as IMI, with its spread of activities, is often regarded as a good general barometer of industry.

Arthur Smith

Rubery Owen

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years or so a small unit been established to con- ly evaluate new products h could increase non- notive business. Ironically, of the more successful com- nts to emerge from this ative has been the norlok diaphragm spring e for motor vehicles.

e aspect of the West Mid- industrial scene which ry Owen has not been able cape is industrial relations lems. Things got particu- bad in 1976 when a six- strike at Darlaston had ramifications in the motor stry generally. It is some- which is clearly ingrained David Owen's mind since tion of it incites a strong ion about how wage aint "puts pressures on a pany because it is not ved to reach settlements can put right anomalies."

lking to David Owen about strial relations is to hit a subject which seems to his heart. He clearly s very much, yet at the same this quietly-spoken 42-year- gives the impression of be- hardly cut out for the cut thrust that inevatbly comes worker-management rela- hips.

ter a perhaps traditional ation (given his back- nd) of Oundle and Cam- ge he joined Rubery Owen 960. Within nine years he in effect running the com- with his brother John, not necessarily through ce but because his father o himself had to take over reins at the age of 21 on death of his father) was ken by a heart attack.

or David Owen it was necessary to develop a very different management style. While his father was a paternalist such an approach today "is really out," he says. He has tried to create a more open style of management instead, with more discussion and a general acceptance of increased consultation before decisions are taken. Yet he hopes he gets as close to the workforce as did his father.

Despite moves away from reliance on the motor industry David Owen says that the biggest factor behind the still modest return being achieved by the company is "lack of demand from British motor companies." He insists that low profitability is not due to lack of investment and quotes £3m a year as the amount spent on capital investment.

Expansion is also being sought overseas and he sees India and Africa—where Rubery Owen has minority stakes in manufacturing operations—as promising areas. The Philippines, where there is a majority-owned manufacturing plant is also expected to be a growing market. Australia, on the other hand, has tended to be a bit flat.

Few things seem to get David Owen really steamed up, but he does react when talking about the climate in which industry has to operate. As the owner of a private company he not surprisingly criticises the effects of Capital Transfer Tax—though he is quick to make his criticism general, pointing out that the country really does need more small companies, yet legislation tends "to create one-generation businesses."

Nicholas Leslie

Exports fall prey to strikes

THE EFFECTS of the lorry drivers' strike in terms of mass lay offs were so much less damaging than had been predicted that it has tended to mask the fact that it initiated a thoroughly gloomy start to a year which in the past quarter had seemed to offer brighter prospects. And it hit exports especially hard.

Once again, as in the three-day week of a few years back, considerable ingenuity was shown in getting goods into factories and away to the docks. "Over the wall" acquired a wider currency than mere prison slang. Where it could be done, away from the prying eyes of pickets, goods with delivery datelines were literally lifted over the wall by fork-lift trucks. Another company managed to smuggle in urgently needed materials in the wagons of a neighbouring company with railway sidings, transferring them at dead of night.

The full impact of the January strikes will probably not become clear until mid-year, but already companies are reporting a fall off in export orders (where before Christmas they had been rising) and a backlog of frustrated exports both at the docks and for air freight. Because of the well-publicised examples of late deliveries, overseas customers, especially for production line components, have been cutting individual contracts by a third or a half and placing this share with competitors in other countries to ensure delivery.

In a year that saw the UK car market expand by 20 per cent industrial action is reckoned to have cost £1bn worth of production. Much of this was in components, a substantial proportion of which would have gone for export. Indeed, the success of Midlands-based companies such as GKN, Lucas, Associated Engineering and Automotive Products in flying the flag abroad (and incidentally providing a surplus over imports for the motor industry as a whole) has been a powerful factor in encouraging others, both in and outside the motor industry, to seek to maintain and improve turnover from foreign sales. "The Midlands is much more wide awake to the possibilities and to seeking out new markets," said Mr. Tony Cox, an exhibitions consultant who works closely with the British Overseas Trade Board and the Birmingham Chamber of Industry.

Potential

One of the big successes in the promotional area has been to draw the attention of manufacturers in Western Europe to the tremendous potential for engineering sub-contracting that exists in the Midlands. This of course takes in a far wider range than vehicle equipment. The BCI has helped to pioneer joint ventures to relevant exhibitions. For example, recruiting for "Midest," which moves around the Continent and is this year at Brussels, has just begun.

In addition to helping to organise representation at exhibitions in Europe and much further afield in North America, the Middle East, and S.E. Asia, the Birmingham Chamber organises around 16 trade missions a year to likely markets. These BOTB supported forays have netted hundreds of millions of pounds worth of business as a direct result of participation. Follow up and repeat business is probably worth three times original orders in the first year.

Each mission can be counted on to generate anything between £350,000 and more than £1m worth of business at the time. Recently, for example, £250,000 worth of orders was brought back from Dakar, £500,000 from Toronto and £1.1m from Nairobi.

Two territories currently being wooed are the South East Asian countries—homing in on Singapore and Hong Kong—and Western Europe. S.E. Asia is experiencing boom conditions in the building and construction industries, with hotels, transport, public buildings and other parts of the infrastructure developing fast. Western Europe, particularly the EEC countries, ought, it is felt, to be a far greater outlet for Midlands manufactures. Britain's share of Community trade lags far behind that of older members.

To increase the Midlands share of trade an intensive two-way programme is under way. More exhibitors than ever before from the engineering and metal forming sectors of Midlands industry are going to the Hanover Fair in April. Birmingham's "twin" city of Lyons will be receiving another powerful delegation, and Milan will also shortly come under industrial attack. Inward missions are also being welcomed from France, Sweden and Germany, and there is to be another visit from representatives of Hong Kong department stores, for the third year in succession. A few days ago Midlands industrialists welcomed a party of 28 Japanese department store buyers. There was a capacity group of 30 companies to welcome them from the jewellery, engineering, hardware, souvenir and garden equipment sectors.

Since the first overseas trade mission in 1965 there have been some 200 others, in which 1,226 companies have participated. Last year preliminary figures suggest that around £100m worth of business was brought back from 20 missions. This year there will be an average of nearly two missions a month setting off for various parts of the world seeking extra turnover to help fill spare capacity and make up for deficiencies in the home market.

Supporting this very considerable and extensive export programme is a series of conferences dealing with marketing procedures in arranging credit finance and the essential minutiae of trade with different countries. In a few days, for instance, a special seminar is being mounted dealing with complex EEC procedures. Mr. Arthur Jackson, overseas trade secretary at the Birmingham Chamber of Industry said: "We have never before been so busy by country, by product and in running an export office."

Unfortunately this very active programme, which can be expected to spread around £200m worth of orders round Midlands engineering, metal forming and component factories, will not all count as extra turnover. Nigeria, which was one of the top markets for many Midlands exporters, has collapsed. The events in Iran have hit the Coventry motor industry and component suppliers. There are growing uncertainties about the Middle East, and even in America and Germany demand is beginning to waver.

It will need a continuing effort and perhaps a little luck by the big groups like GKN, IMI, and TI in turning in much better performances if the Midlands is really to feel the benefit. It will also need a bigger supply of skilled labour. The perennial shortage of scarce skills makes taking on big new contracts or expansion that much harder. "We have scoured the Midlands in the past three months for welders, fitters, markers out and foundry workers to very little effect," the Wellman engineering group complained.

Peter Cartwright

Property market firmer

THE REVIVAL in the building and property market in the West Midlands has continued in the early months of this year, but there are indications that the pace has remained somewhat disappointing. New building and construction is still sluggish, with much of the industry's energies going into refurbishment and the restructuring of old sites.

However, this merely suggests that the region is following the same line as the rest of the country. Industrial properties continue to find it much easier to attract buyers than was the case not so many years ago. The private house market has shared in the national upturn of the past six or eight months, although a good deal of the demand is being taken up by existing houses.

Agents in the industrial property sector report a fair level of letting activity, but point out that rental levels are disappointing—not high enough to stimulate new building, according to some sources. Good-class industrial property still finds it hard to attract rents above the £1.50p to £1.65p a square foot mark. This compares poorly with the £2.50p a square foot currently commanding attention in the London areas.

Impact

But the levels do show a modest rise on those reported in the region at the beginning of the winter. The sluggishness of the past few weeks may well reflect the weather of January and February, and also the impact on business activity of the lorry drivers' strike. The West Midlands suffered particularly badly under both headings and has only very recently begun to recover.

The strike by the lorrymen, in particular, had a surprisingly severe effect on business sentiment in the Midlands, which has a high level of warehouse development. Such developments are usually tied to the motorway network and thus largely dependent on road transport. The strike brought some alarmist reaction in the area, with industrialists reported to be hanging back on new developments. Such fears have proved overdone, however, and defeatist talk is no longer fashionable.

Thus there is every likelihood that speculative building could soon resume the sharply increased levels of activity seen in 1978, when there was a rise of 84 per cent. Unfortunately there are fewer big developments in the offing. Plans to extend the National Exhibition Centre, for instance, lie firmly in the future.

Both letting agents and construction groups tend accordingly to be pre-occupied with what would not so long ago have been regarded as the less exciting type of business. There are, for instance, few shopping developments of any size going forward.

One of the more significant operations is the £1.5m factory development in Wolverhampton, on an old Courtaulds site which in all covers 23 acres. The first part of the development, comprising a Government Skill Centre, has already been let, and Richardson Development expects further completions very shortly. Another industrial estate is scheduled in Bilston, once again involving an older site, which in this case housed a former GKN factory.

In its latest survey of industrial property in the area King and Co. discloses that the total space awaiting tenants has continued to fall, albeit slowly. Warehousing space available totalled 2.7m sq ft, against 2.4m three months earlier. A similar trend in factory space lettings left a total of 4.6m sq ft available, against 3.4m previously.

But once again bearing out other indications of recent trends, King and Co. reports a fall in the total of new building under construction from 1.6m sq ft to 1.5m. Since King and Co's figures were completed before the onset of the severe winter or the lorry drivers' strike, it must remain an open question whether these trends will reverse as spring draws on.

The residential property sector is seeing a significant increase in demand, especially at the expensive end of the scale, where supply is not enough to satisfy buyers. The boom has continued strongly into the early months of this year, and most agents expect the spring to herald a further upsurge in prices.

Chesshire, Gibson refer to the Edgbaston area as one in particular demand. At the higher end of the scale, buyers seem to find access to funds without too much difficulty and sales are often completed with astonishing speed—three weeks in one case.

There are some fears that the coming months may bring adverse factors into play. Government attitudes towards restraint on building society lending levels and mortgage rates will be significant.

Wage levels are seen as the major factor at the lower end of the property scale, but several agents stressed that the growth area was not at this level. It is the £40,000 to £100,000 range which is attracting the buyers just now, and the one which offers the best potential for the coming months.

The lower end of the scale is finding the going more difficult, with sales delayed by the need for every would-be buyer in the chain to find a seller before he can complete the deal. Thus the most active areas are the more prosperous sectors of Birmingham—Solihull, Sutton Coldfield and Hagley.

There are signs that a shortage of land is holding back new building, usually on the town fringes. There is not much "green field" building at present.

But the severe shock suffered by private housebuilders in the post-1974 crisis has left its mark on the industry, and developers are slow to build up stocks either of land or houses. This caution in some ways reflects a similar attitude on the part of housebuyers, who have so far been unwilling to pay the top prices for houses on new estates. But all the indications are that pressure is building up for a powerful upsurge later in the year, when there will not be enough new property to satisfy demand.

The wider questions for the property market in the area are the same as those for the rest of the country. The outlook must depend on the outlook for economic activity throughout Britain, and in particular for the heavy industry on which the West Midlands relies.

The revival of confidence in the UK car industry lay behind the revival of industrial property activity in the region. Midlands property men will continue to keep a close eye on the industrial scene and to hope for a season of industrial peace.

Terry Byland

Paris music

Two ensembles by DOMINIC GILL

The London Sinfonietta, now 1[illegible] years old, is the elder rother and explicit model of new Ensemble InterContem- orain, the resident instru- ental ensemble of Pierre oulez's Institut de Recherche Coordination Acoustique- isique, whose offices and pace de projection are buried ep in the ground under the ace Saint-Merri next to the ntre Pompidou-Beaubourg.

Both are ensembles of vari- le size, dedicated principally he InterContemporain exclu- ely—to the performance of ntemporary music. Their licies and outlook are similar lthough the InterContem- rain is a larger group, and its nge of activities wider: a com- rison of budgets, indeed, ukes depressing reading—a tional British disgrace). But their uniquely high stan- rds, virtuosity and dedication, ey are both set to become not ly the two finest groups of eir kind in Europe, but prob- ly the finest in the world. The ationship is closer still. cholas Snowman, who as ulez's *responsable artistique* IRCAM is responsible in part the running of the Inter- ntemporain, was also the ndon Sinfonietta's first mana- . So it was with particular erest that one took the portunity offered by chance in ris last week to hear both sembles give a concert of con- nporary music on consecutive hts in the same hall.

Because of an unusually un- npromising, though eminently isible, initial scheme of selec- n, rejection and reselection— w recruits to the Inter- ntemporain are offered a con- ct for one year only, during ich time their suitability is essed: those accepted are ered non-exclusive, first-call ee-year contracts — the nch group has only just now, years after its founding, ained something like a final, manent form. Nor have they until very recently had a per- manent conductor. Boulez, their President, from the start, has never been able (nor ever in- tended) to give them his full- time attentions. Peter Eötvös is now their Musical Director: but the ensemble has lacked until now the vital focus, both technical and artistic, that David Atherton, for example, provided for the London Sin- fonietta in its early years.

The Théâtre de la Ville was all but sold-out for the concert given by the InterContemporain under the direction of Michael Gielen—a decisive advantage of the subscription-series system which the London Sinfonietta recently confirmed for them- selves in their own Schubert-Webern series, and one which no doubt (granted only adequate financial support) they will continue to exploit. The programme followed the base-plan laid down for the rest of IRCAM's series: a commission from a young composer, a recent work from the new reper- tory, and an established classic of the 20th century.

The commissioned work, *Fragments du Narcisse* by Jean-Bernard Dartigolles, scored for solo viola with 17 instruments including three percussionists, was short, sweet and very slight: a nine-minute essay made up entirely of a sequence of little melodramatic efflorescences of varying lengths, sketchbook notes sewn together with the lightest touch, and still lighter excuse. Michael Gielen's own *Les cloches sont sur une fausse piste* was at least three times as long, and many times more pretentious: a huge, rambling confection for seven musicians, all amplified and each with their own percussion battery, and a speaker (on this occasion Gielen himself) to deliver in slow, rolling tones excerpts from poems by Hans Arp.

The words, as well as their delivery, were pregnant with heavy rhetoric: but the musical language, all gesture and no syntax, was confusing and con- fused — some promising moments, but none really exploited or brought into focus. The evening finished with an account of Schoenberg's Chamber Symphony urged on by Gielen at the breathless *allegro-express* tempo that has gained currency in some quarters these days, fast and steel-tipped, with- out the least trace of lyrical shaping or breadth or dramatic point. Just before the end, the excellent players of the InterContemporain managed to wrench themselves free for one or two pages from Gielen's relentless beat, and let the music speak — a glimpse of what will undoubtedly be some day, under a different conduc- tor, a very beautiful per- formance.

The following night, before a much-reduced audience at the Théâtre de la Ville, the London Sinfonietta under Elgar Howarth offered their pro- gramme, which included two major works by Harrison Birt- wistle and Peter Maxwell Davies already familiar to London concert-goers, but new to Paris. By way of a curtain-raiser, they gave Xenakis's *Phlegra* for 11 instruments, bright, brash and compact: a superb performance, tough and confident, every texture and strand in place. And indeed, judged in all objectivity, without a hint of chauvinist sentiment, the Sin- fonietta have rarely appeared on such brilliant and sparkling form. Their accounts of Birt- wistle's *Silbury Air* and of Davies's *A Mirror of Whitening Light* were fired with almost supernatural energy and impetus, rich and subtle, lit with mysterious inner light; and their tour de force of Stravin- sky's *L'Histoire du soldat* suite, too, was nearly faultless in its virtuosity and command. The Sinfonietta is one of the most vital and lively musical assets not just of Britain but of the world: can we in all conscience stand by calmly and watch it starve?

Portman Hotel, W1

Susannah McCorkle by KEVIN HENRIQUES

The New Orleans Sunday nch at the Portman Hotel been running without halt almost two years. In that e the unusual (for London) cept of enjoying an exotic l on the Sabbath (admit- y not exactly New Orleans) to the accompaniment azz music (not necessarily Orleans) seems to have caught on. The list of musicians and singers who have appeared is both imposing and illustrious and judging by the turn-out for last Sunday's Brunch the idea seems destined to continue prospering. But then there must be few jazz venues anywhere in the world where one can start a meal with a Purple People Eater, and close with a fiery Café Brûlot, hotly pursued by a smooth Armagnac!

It happened that Sunday saw the last appearance of singer Susannah McCorkle in her all-too-brief visit to London. After a year working in the tougher ambience of New York Miss McCorkle's approach to an audience is noticeably more direct and positive than when she lived in London. Of course the Sunday Brunch clientele is far different to that at Ronnie Scott's Club or the Pizza Express. She recognised this and adapted accordingly, yet never compromising herself or her standards in any way. Smoochy love songs and late-night numbers were eschewed but she still maintained that level of quality which is the distinctive mark of herself and her accompanist, Keith Ingham. Both have a marked penchant for resurrecting little heard but nonetheless good class tunes and during their three weeks in London they exhibited quite a few gems.

Among the memorable moments on Sunday were a striking interpretation, just with piano, of the Harry Warren com- position, "About a Quarter to Nine." Later the rest of the rhythm section, Spike Heatley (bass) and Derek Hogg (drums), were precisely right with their work on the unusual waltz version of "After You've Gone." Fats Waller's "Ain't Misbehavin'" was delivered uncharacteristically, but oh so effectively, in slow tempo.

Until she and Keith Ingham return, which they promise to do within a year, fans can con- sole themselves with her latest album, devoted to Johnny Mercer tunes and unsurpris- ingly titled *The Quality of Mercer* (Black Lion, BLP 12169). Fourteen of Mercer's best numbers are superbly sung and their quality — and the album's—is enhanced notably by the contributions from tenor-saxists Danny Moss and Duncan Lamont and trumpeter-cornetist Digby Fairweather.

Hayward/Annexe

Lives and so forth by WILLIAM PACKER

Each year the Arts Council, as part of its policy of support for the visual arts, gives an artist a lump sum and a free hand to buy work for the col- lection, which acquisitions usually supply the substance of an exhibition. Derek Boshier's efforts this year, therefore, are marked by a small show, switched at the last moment and in some controversy from the Serpentine to the Hayward (until April 1), that he has en- titled "Lives." Not at all unlike the Curate's egg, though I would shift the qualifying epithet down the scale a notch or two, it proves to be full of interest, and equally full of irri- tation.

Most irritating, perhaps, for it is over-simple and tendentious, is his apologetic of his guiding principle: "'Lives' is an exhi- bition of artists whose work is based on other people's lives . . . in fact the depiction of people and their lives tends to be rarer within the 'art world' than outside of it . . does not include landscape art, abstract art, art based on the artist's own life and art that may at first appear concerned with other people's lives, but on closer inspection . . . in the art world an art that can be seen (assimilated) by the public would be felt to be an art with limits . . . a tendency in the art world to judge and experi- ence art according to whether it fulfils the function of rather narrowly defined rules . . . an obsession with making judg- ments based on beauty . . . the artist is in a privileged position . . . everyone has in them the potential to create . . if the work that the art world pro- duced was more accessible (that might lead to) the possibility of active involvement by more people in using creativity them- selves."

Well, it is easy to see where all this leads — "the purveyors of culture in pursuit of a past formulation of a "notion of excellence"; creativity not a dirty word; learning through problem solving in an enjoyable way: art world attitudes must change: inherited gift of genius a myth." In other words, let us all join in, it is not what you do but the fact that you do it, participation is all. The familiar levelling argument is sincerely meant. I know, in no way vitiated by Boshier's own undoubted distinction and parti- cular gifts as an artist; but the heresies it carries are dangerous all the same.

The underlying assumption that it is only by its content, by its literal and obvious association, that a work of art may be made accessible to the public, is breathtakingly naive, and appallingly condescending besides; as though only by the specific prod may the common imagination be goaded into action. And it would also turn the artist himself away from his primary responsibility, which is to get his work right in the terms he has set himself, measured against his own experience of the world, to take on the role of a kind of ring- master, keeping everyone happy, every hand busy, making everyone realte in the approved egalitarian manner: as though private experience, and personal choice, have nothing to do with real life at all. But it is the assault upon excellence rather than upon privacy that is per- haps the most damaging; for excellence has ever a great deal to do not so much with content as with form, and it is the form that must give the work, of whatever kind, its essential reality. No matter how worthy the intention, badly made, ill-written, out of tune, the work will fail, as this show so nicely demonstrates.

'Femme du Peuple II' by R. B. Kitaj, 1976

A small show in Wimbledon, at the Annexe Gallery (until April 3), adds its own neat rider. Elsie Few is the widow of Claude Rogers, a distinguished painter and teacher of painting who died only a week or two ago. This small show of her own work had been arranged, and she has allowed it to go ahead nevertheless; and the abstract collages that she has been making these past ten years, quite contrary to Boshier's earnest, imputations, clearly have everything to do with life. Having started to make them, she suffered a severe stroke, and the technique has proved to be the only practic- able way of continuing to work. Each image, though abstracted, is specifically related to parti- cular or generalised experiences, and identified as such, as her note to the exhibition shows: "Iron Maiden—I saw a news- paper photograph of this object . . . and I found the idea of someone conceiving such an object appalling and horrific; Wrapping Paper—I am thinking of the parcels arriving at my home, and the excitement of un- packing them; Batman—Claude picked up a child's drawing in the road . . . . The shapes and colours I use are in no sense illustrative or symbolic, although they seem to me to be a valid equivalent of the emotion I experienced." These collages hang together as a powerful, distinguished and above all highly personal body of work, to which any reasonable person, given the generosity that Boshier quotes Man Ray as requesting, may respond intelli- gently.

Back with the Hayward and its controversy, the row blew up over what I understand were openly political statements in the catalogue by two of the artists, and now centres upon the withdrawal of one work by each of them at the insistence of the Arts Council (whether the responsibility lies with the Department of Fine Art, or with the supreme Directorate remains unclear), to cries of Censorship on all sides.

Putting it bluntly, the council should have seen it coming, for Conrad Atkinson, one of the two, is an artist with a con- firmed commitment to the people, particularly to those of Northern Ireland, who has long depended for the publication of his work upon public institu- tional support, by the British Council, the ICA, the White- chapel, and of course by the Arts Council itself. Indeed his offending piece was shown last year at the Serpentine without incident. It is a polemical poster that attacks the Distillers Com- pany through the many War- rants it holds from the Royal Family, and it makes its questionable point effectively. The other work withdrawn is by Tony Rickaby, called Fascade and showing the offices and headquarters of a number of organisations as various as the Festival of Light, the National Front, the CBI, the Monarchist League and the Conservative Party. Such a simple-minded idea is beyond criticism, at least for the time being.

The issue is serious, however, for weak ideas and doubtful politics should be seen to fail, and to see bad art inflated by martyrdom is distressing. Even that champion of the people, John Pilger, described as a special writer on the Daily Mirror, has been unable to let such an opportunity slip past, and the reader of the New Statesman may currently enjoy a long exercise in sanctimony by him, that has little to do with the Art in question, though I am sure he is a familiar figure around the galleries, and every- thing to do with special plead- ing: "(Atkinson) is best remembered for his ICA exhibi- tion, 'Strike,' which dealt with the long struggle of shockingly underpaid workers at Brannan's factory at Cleator Moor, Cumbria . . . and is credited with the 100 per cent unionising of a department at Brannan's London factory."

Atkinson's wife, Margaret Harrison, keeps the family flag flying, however, with a large and serious work called "Rape," that is more a pam- phlet laid out on the wall than a painting, crudely lettered and perfunctorily painted. Apparently it has been used as a focus for seminars on the sub- ject when it has been shown before, an excellent visual aid. But, her feminist rationale apart, she goes on to claim that she has "rediscovered a place for the use of the craft of paint- ing." The evidence of the piece itself, unfortunately, does little to bear her out: and this exhibition in general, just as "Art for Whom" and "Art in Society" last year, and many others before, does tend to suggest a general rule: that content is most useful in dis- guising technical inadequacy.

I said at the start that this show is full of interest: and, to be fair, I also said that it con- tains some good things. Ironi- cally, those least likely to gain public acceptance, for they defy the common expectation of what Art should be, are con- spicuous among them: and, among their virtues, several dis- play a consummate profes- sionalism, that achieves the statement and lets any implica- tion fend for itself. Most impressive of all is Brian Duffy's huge photograph, blown up to hoarding size, for a Clark's Shoe advertising cam- paign, all fish-net stockings and insouciance. Equally sure is the work of Desmond O'Neill, which regularly graces the social diaries of the better class of magazine and, seeing it blown up for once beyond the size of a postage stamp, we discover just how cool and sharp is the eye behind it. And Boshier's own contribution belies his innate sophistication, yet has a par- ticular poignancy, as through it we see an anonymous life laid bare on the pages of a discarded and dismembered snap-shot album.

Elizabeth Hall

Iberian Requiem

The *Iberian Requiem* given on Saturday night by the William Byrd Choir under Gavin Turner was not a complete work but an assembly of music by various Portuguese and Spanish composers of the period round 1600, when the two countries were linked under Spanish dominion. The backbone of the programme was a Mass in eight movements by the Portuguese Duartes Lôbo from Evora who became choirmaster in Lisbon. Between the movements we heard some extra-liturgical motets by other composers and brief snatches of instrumental polyphony, mostly by the Spaniard Juan Vásquez, played by the London Cornet and Sack- but Ensemble.

The object was to avoid per- forming consecutively in the usual concert-hall manner move- ments of a Mass not intended to be heard in such quick succession, also to avoid faking up a liturgical atmosphere in this distinctly and indeed depressingly secular building. The compromise worked up to a point, though I suspect there was some confusion and misconception (especially with the inclusion of the Spanish composer Antonio Lobo) and a good deal of squinting at the clearly but minutely printed programme to make out what was what. Furthermore, with such fluent and capable per- formances one notices the difference of level between various pieces. The Portuguese Lôbo's Mass made an impression of touching, elevated, rather stiff-jointed devotion, but sounded country-cousinish com- pared to the interpolations by the Spanish Lobo, by another Portuguese, Filipe de Magalhães, and by the great Victoria.

These historical excursions and comparisons are valuable as well as enjoyable but ultimately it is the music that counts. The only time one was so completely taken up with the music as to cease to care whether one was in Seville or on South Bank was in the second half, after the "Requiem," in two voice-and-instrument pieces by Victoria at his grandest—a *Salve Regina* and the *Magnificant Primi Toni* The first began a little coldly and sluggishly, presumably because Mr. Turner was holding back for the spacious climax. The *Magnificat* was splendid yet something nagged until one realised that about the only Latin word to come through was "esurientes."

The programme was jointly sponsored by Elms Concerts and Mapa Mundi, the latter an enter- prising publishing firm who issue Renaissance music tran- scribed and edited by Bruno Turner, well printed and inex- pensive. The catalogue contains not only Spanish/Portuguese but English and Franco/Flemish music, rescuing for the ever-increasing public fine things that have been gathering dust in cathedral libraries or getting learnedly but not always read- ably written about. To return to the concert, the instrumental parts were well done and gave especial pleasure when heard with the voices in the second half. Between the big Victoria works John Langdon played organ music by Rodrigues Coelho.

RONALD CRICHTON

Wigmore Hall

York Bowen

"Sensibility alters from generation to generation; but ex- pression is altered only by a man of genius." T. S. Eliot's weighty words provide all too apposite a comment on the group of Eng- lish composers who grew up before the First World War but remained to compose music long after it: their achievements, which had seemed so promising before the revolutions which the war brought in its wake, proved incapable of being modified by the changed circumstances— their sensibility remained, but so did their mode of expression. Elgar was, in a handful of works, an articulator of disillusion; and Frank Bridge too developed beyond the prevailing gloom. But neglect for men like Haver- gal Brian began in the 1920s— their music spoke to an age which had passed.

The latest candidate for admission to the ever-increasing group of unjustly neglected 20th-century English composers is York Bowen, who died in 1961, and his case was forcefully put by a fine collection of musicians on Sunday at the Wigmore Hall. Yet the four works performed were, I thought, impressive in direct proportion to the youth of the composer when he wrote them. In 1907 the richly coloured yearnings of his Fantasia for four violas must have made a real impact on an England for which *Gerontius* had only re- cently broken the run of Victorian oratorios. No wonder his concertos were heard at the pre-war Proms: Bowen might have been an English Strauss.

Even in 1932, the Phantasy Quintet for bass clarinet and string quartet (another extra- ordinary but successful chamber combination) might have car- ried conviction as a late ex- ample of a sticky, Swinburnian autumnal echo of Brahms' com- paratively fresh nostalgia in the Clarinet Quintet. But here the times are already out of joint; and by the rhapsodic assertive- ness of the 1937 Horn Sonata (played with vigour and panache by Alan Civil) we are dan- gerously near the Associated Board competence of the dove- tailed entries and careful developments of the 1949 Bal- lade for oboe, horn and piano. (Civil, John Anderson and Salathiel Lindsay.)

Bowen's is not bad music by any means: indeed it is thoroughly proficient, excel- lently written for the instru- ments, well balanced, neatly planned, and always attractive to listen to. In all conscience, these four pieces are better than many inter-war trifles by French composers which find more fre- quent places in concert pro- grammes: perhaps they deserve a Lyrita recording alongside Rawsthorne, Holbrooke and Rootham. But if Bowen had only spoken as directly to the 1930s and 1940s as he did in the viola Fantasia to the 1910s! Indian Summers do not last for ever — composers must face winter when it comes.

NICHOLAS KENYON

Action Space to close

Action Space Theatre, one of London's few West End theatre clubs, will close on April 2; less than three years after its open- ing. Last year more than 125 companies appeared at Action Space.

The theatre needs an extra £12,000 to continue.

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Tuesday March 13 1979

Clampdown by Mr. Shore

LAST WEEK'S misunderstanding between Mr. Peter Shore and the Greater London Council and other local authorities over the precise import of the Environment Secretary's new rules for council house sales should not be allowed to disguise the fact that his statement marked a major shift in the Government's policy.

Hitherto the Government had been content to let stand its predecessor's general consent *for the sales of council* houses while makin git clear that it did not favour sales in areas where there was still a general shortage of rented accommodation. This selective approach has now been replaced by a blanket restriction which effectively limits sales in any part of the country to just four categories. First, sales to sitting tenants of two years' standing who (in view of the ban on the grant of options to buy) are currently able to finance a purchase: secondly, sales of *new property* which has been built specifically for the purposes of selling to owner-occupiers: thrdly, sales of housing compulsorily acquired for the purposes of a road scheme which has subsequently fallen through; and finally, sales *of* run-down property acquired for a home buyer under a "homesteading scheme."

Shortage

Mr. Shore has explained that the Government is opposed to the indiscriminate sales and the *level of discounts that some* local councils have been offering. But there is nothing in his new rules which would appear to prevent an authority from offering a long-standing tenant a substantial discount, and it is hard to see any justification for *restricting sales in areas where* there is no longer a general shortage of accommodation, a criterion which must apply today to most of the country.

One has to distinguish here between the genuine shortages which still obtain in a few localities and the symptoms of shortage (such as most local housing waiting lists) which reflect the gross maldistribution of housing stock created by decades of rent controls and indiscriminate subsidisation.

One of the arguments for facilitating the sale of local authority housing is that it would help to encourage a better use of the present stock of housing. It would promote mobility and free public resources for tackling more specialised housing needs, such as the provision of housing for the elderly or the improvement of older sub-standard housing.

All the evidence shows that there is still a large unsatisfied desire for home ownership among local authority tenants. Mr. Shore has said that it is wrong for local authorities to sell an option to purchase to tenants who are not yet in a position to buy because it would restrict the freedom of action of successor democratically *elected* councils. The "rights" of future councils have, however, to be weighed against the wishes of existing tenants. Widening the range of their choice in housing would increase individual freedom. The broader distribution of wealth brought about by the sale of local authority housing might also help to soften the cycle of poverty.

Housing needs

Mr. Shore has been subjected to considerable pressure from within the Labour Party to restrict local councils' freedom to sell council houses, principally on the grounds that such sales reduce the supply of rented accommodation that comes up for re-letting and thus makes it harder for local councils to meet housing needs. This argument is not clear-cut, however. A local authority tenant is more likely to move if he becomes an owner-occupier and the chain of sales which ensues when a house acquired from a local council becomes vacant and is re-sold could well result in a first-time buyer moving out of rented accommodation or in one less name on the local authority's waiting list.

Decision

In areas where the choice of rented accommodation is limited, and most of it is owned by the local council, there could be a case for objecting to the policy of the Conservative Party — which sees council house sales as a politically acceptable *way of reducing the housing subsidy* bill — of giving every tenant a statutory right to buy. But where local councils own a substantial proportion of the total local stock of houses there is an even stronger objection to leaving the decision to the local authority. *If* the unmet demand for home ownership were to be met entirely by the building of new homes for sales, as Mr. Shore is suggesting, local councils could well one day find themselves left with housing they could neither let nor sell.

Fighting for apartheid

THE SIX-DAY-OLD strike by South Africa's white mine *workers, protesting over black* job advancement, presents a new and sensitive problem for the already harassed Government of Prime Minister P. W. Botha. The ostensible cause of the strike is the promotion of three skilled coloured workers *to former white jobs* at the O'Okiep copper mine in Namaqualand. But this dispute has merely acted as a focus for numerous long-standing grievances by white miners, including demands for better pay and for a five-day working week. Above all, the strike stems from the white miners' resistance to black job advancement and their fears that the Government and the mining houses are conspiring to replace white miners with cheap black labour.

Black advancement

It seems no coincidence that the dispute should have come to a head only weeks after the Government has been presented with the still secret findings of the Wiehahn Commission into labour legislation. This long-awaited report is expected to recommend the removal of the statutory reservation of jobs for whites in South Africa.

This would not be quite as dramatic a move as might first appear, since only a small minority of jobs are affected by statutory job reservation, though these jobs may themselves be the key to further advancement. What is more of a block to black advancement is the customary reservation of jobs for whites, an area where change is likely to be very slow. Nevertheless, the scrapping of statutory job reservation could affect the white miners, and the current strike can be seen in some respects as a show of strength in anticipation of the Wiehahn report.

Tough attitude

The South African Chamber of Mines has adopted a tough attitude towards the strike, perhaps wanting to test the miners' determination. In effect, the *Chamber has prolonged what* was to have been been a one-day stoppage by declaring the participants to have dismissed themselves and thus forfeited numerous benefits. Against this background, it is significant that the main butt of the miners' anger *should be the National* Party Government rather than the Chamber of Mines.

The miners, who have unswervingly supported the National Party and its apartheid policies for the past 30 years, evidently fear that they will be *betrayed by the Government's* cautious moves to liberalise some aspects of its policy. At present, the miners do not seem to be gaining much sympathy or support from other sections of the white community. Indeed, the pro-Government Press has *adopted a remarkably hostile* attitude towards them. Nevertheless, the miners' strike does point up the strong pressures limiting the Government's ability to make even cosmetic changes in apartheid and could provide ammunition for the *increasingly powerful* right-wing element within the National Party led by Dr. Andries Treurnicht, the party leader in the Transvaal.

Fate of Namibia

The miners' strike can, there*fore, only add to the problems* confronting Mr. Botha, who already faces continuing controversy over the "Muldergate" Department of Information scandal and over the future of South West Africa (Namibia): Dr. Rhoodie, the former Information Secretary, is threatening to reveal damaging new facts on alleged Ministerial complicity in the Muldergate scandal, while the fate of Namibia is hanging in the balance. Yet the Government knows, and the white miners *must learn, that* the economy needs a more efficient utilisation of a highly trained labour force and that must entail black job advancement.

A report from the U.S. by **M. H. Fisher** on doubts about the President's foreign policies and whether he will make the right decisions at home

Mr. Carter's crucial 'prestige factor'


Ashley Ashwood

THEY may not be bewitched any longer by their President—most of them never were, anyway—but Americans are certainly bothered and bewildered. Those conscious of what is going on in the world around them are asking: What has happened to American power to shape events? What went wrong in Iran? Couldn't we have stopped it? Is there nothing we can do when the U.S. Ambassador in Afghanistan is killed? Must we stand idly by and watch the advance of Soviet power in the Middle East and the Horn of Africa?

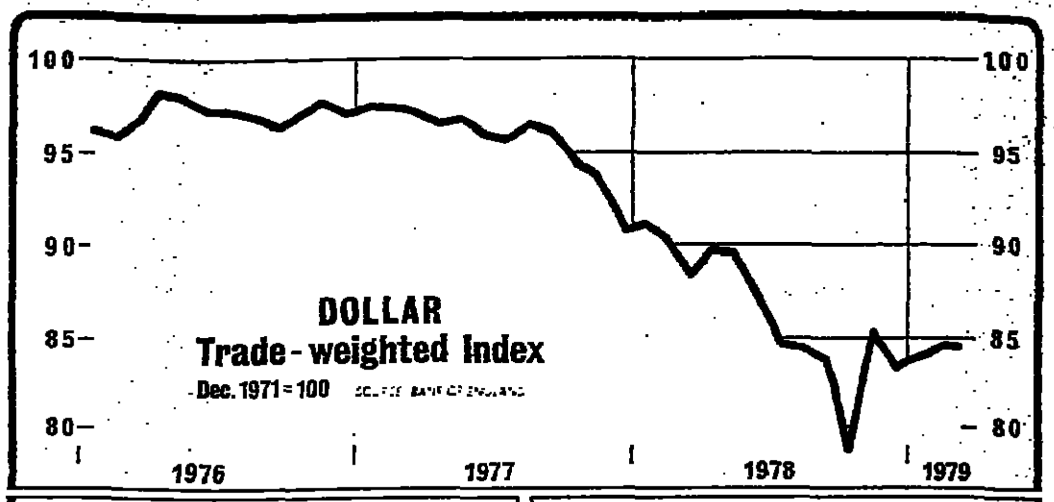
The answer, of course, is that the world, and the mood of the *American people, has changed,* and President Carter has appreciated this. The people who ask why the U.S. did not do something to stop the revolution in Iran are the same who would have yelled for the impeachment of the President if *he had tried to intervene militarily.*

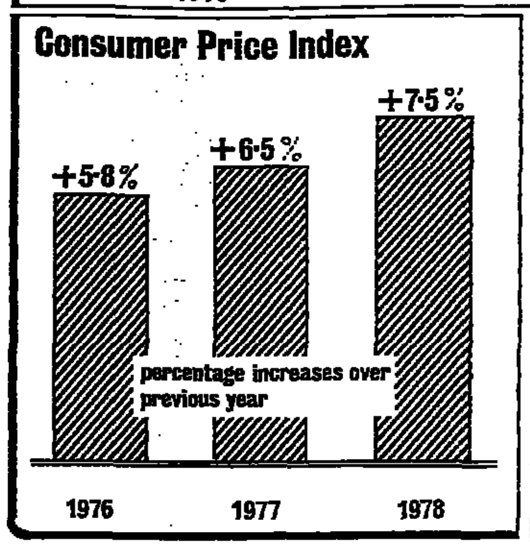
Those who are either outright opponents of the SALT talks or most doubtful about the benefits of reaching an agreement with the Soviet Union, and thus either explicity or implicitly *want to see an increase in* defence spending, are largely identical with those who are calling most loudly for a balanced budget and an overall cut in Government spending.

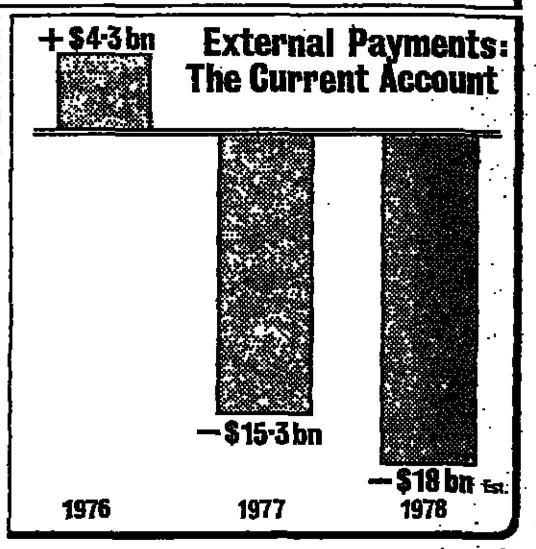
When the President announced that he was going to Cairo and Jerusalem, the immediate reaction of many of his critics was that this was yet another of his "no win" initiatives. If he brought about peace between Israel and Egypt, the reaction in other Arab countries would help to undermine the regimes friendly to the U.S. If he failed, he would once more have personally demonstrated American powerlessness and damaged whatever prestige he may enjoy at this time.

The prestige aspect is crucial, not only because many Americans are already asking themselves whether President Carter will be a one-term President, but because there are difficult decisions to be taken on the home front which will require *full exercise of White House* power and prestige if they are to be tackled effectively.

The Administration is gratified, and perhaps even somewhat surprised, by the success of the measures taken on November 1 to stabilise the dollar. The fact that the uncertainties created by events in Iran have left the dollar largely unaffected is taken is an indication that the worst is over. There may be differences of emphasis as to what should happen next—should the aim be to keep the dollar roughly stable, or should some appreciation be allowed to occur if that were to be the market trend?







But the increase in confidence is there for anyone to see.

It is when one discusses the internal economy and the energy problem that doubts are evident. Administration officials are ready to admit that the economy is rather too strong for their liking at the present time. They still maintain that the economy will have a 'soft landing," that while the rate of growth will slow down, there will not be a recession. They acknowledge that even if the wage and price guidelines hold, the reduction in the inflation rate will be slow, perhaps not more than one percentage point by the end of the year, and look to 1980 for the real counter-inflationary impact. Few outside Washington, however, believe in that politically-so-convenient forecast.

That the economy is still very strong there can be no doubt. True, most businesmen say that a recession is inevitable, but then hasten to add that it will hit the other fellow; their own business is very strong. Housing starts fell sharply in January, but they always do. Money is expensive, the money supply is falling, but credit is still not difficult to come by, particularly in New York, and borrowers are apt to explain that given the current inflation rate, the "real interest rate" is not very high.

The aluminium producers are bringing back into production high-cost capacity which has been idle for years. Consumption may be slowing down—the consumer has been drawing very heavily through second mortgages, as well as the normal forms of consumer credit. But *capital equipment orders* are strong and there are some signs that inventories, which are historically low, are being built up on the basis that "the stuff will cost more the longer we wait."

Yet virtually all business *economists are forecasting a* recession; some see it starting as early as the second quarter. The majority see it coming later, but are deeply divided about its severity. Those who see the greatest demand pressures now foresee the biggest decline, though few believe that the downturn will be really severe.

This is where one comes back to the prestige of the President, and his power to influence events. Just how much good the voluntary wage and price lines can do in the short-term is a hotly debated issue. What is quite clear is that if Congress does not pass the real wage insurance scheme—whereby public funds are used to make up incomes for those who settle at the guideline but then find that inflation is cutting their real incomes—the guidelines are most unlikely to hold. One immediate problem in this context is that there is virtually no chance at all of Congress taking positive action before the deadline for the renewal of the teamsters' wage contracts at the end of this month.

For the time being, "moral suasion" is largely the name of the game, and the success or failure of the President's Middle East mission is of crucial importance in this.

The same holds good when one comes to the interrelated energy problem. What is one to do in a society where one finds quite often that the only way to get one's room or office to a habitable temperature is to turn *on the air conditioner at full* blast to counteract the effect of the central heating, which cannot be turned off? Both the Treasury and Mr. Schlesinger, the Secretary of the Energy Department, ideally would like to see a total de-regulation of energy prices on June 1, when the President has the power to do just that.

But in this free enterprise economy no one really believes that the use of the price mechanism is even a starter for the purpose which it is designed to fulfil. The Administration is greatly *concerned about the* supply problem. No one is ready to make confident predictions about what the Iranians may or may not pump this year, or to what extent the Saudis will be prepared to make good the shortfall. (What will happen as a result of the President's Middle East trip?) Barring a very serious shortfall in oil supplies, the view is that the price will not go through the roof. The Administration is leaning hard on the oil companies not to go into the spot market, and the general prediction is still that in spite of oil price rises which will go beyond the levels currently fixed by OPEC, the current account deficit of the U.S. will be cut from $17bn last year to the $8bn to $9bn range this year.

Spot shortages are already appearing in aviation fuel. A number of airlines have cancelled flights—and sometime in the summer there are certain to be shortages of petrol in some areas. Rationing is not considered a sensible option at this stage. *To that extent,* common-sense prevails, but there are all sorts of plans for "voluntary" saving—ranging from persuading people to turn down thermostats to shutting gas stations on Sunday.

Probably the best the President can hope for on prices is to raise them on step-by-step basis, facing up to accusations that he is allowing the oil companies to gouge the customer. That will not be the only criticism. Many voices will be raised *to point out that any* rise in energy prices will come at the worst time in the struggle against inflation. The argument that the lack of a credible energy policy was a major factor in the weakness of the dollar, and that this pushed up the domestic inflation rate by 1 per centage point last year, with up to another point to come through this year, is dismissed as past history. The dollar is all right now, after all.

Where the current problems may help is in removing the environmental and other obstacles to accelerate construction of nuclear power stations, and to the greater use of coal instead of oil or natural gas (of which, incidentally, there is no shortage now). This in turn could over a period possibly help to improve the puzzling and highly disappointing productivity trend. Two reasons being put forward for it are the equal opportunities legislation, with its requirement to hire the requisite quotas of women and minorities (which particularly hit the service sector) and, relevant to the energy problem, the fact that if corporations have to spend less capital on environmental grounds, they will have more to spend on productive equipment.

But here again the President faces a political problem. He is strongly supported both by the environmentalists and by all those who believe that he is in some way fundamentally opposed to the greater use of nuclear power.

That Americans should look to their President to provide firm leadership in times of trouble is nothing new. The dispersal of power which has taken place, the assertiveness of Congress which is deeply fragmented and much more difficult to influence than in the past, are *none of* his doing. That was part of his inheritance in the post-Watergate, post-Vietnam era. As Chancellor Helmut Schmidt recently said of the German system (with much less justification than he could have said of the American one) "*it is all* checks and no balances."

The perceived weaknesses in and setbacks to foreign policy (due much more to a failure of presentation and education of the American people to the inevitable change in the ways in which American power can nowadays be used, rather than *to errors of commission* or omission) are reacting on the domestic scene.

No obvious candidate

The talk that Jimmy Carter may turn out to be a one-term President is damaging; all the more so since there is no *obvious,* generally acceptable candidate within either party in sight. There is no new King to turn to (except for Senator Edward Kennedy, who says he won't run) only a large number of unsatisfactory pretenders.

For all those in the western world who look to the U.S. as a leader, it is a disturbing picture. Will there be another arms race, or can the President get a SALT treaty through the Senate? Can the U.S. avoid an inflationary bust which would raise protectionist pressures even further and be deeply damaging to the world economy? Can the U.S. make a contribution to avoiding war and/or chaos in the Middle East? Are the Americans fundamentally still interested in what *is happening in Europe, or* are they moving inexorably towards even more intense contemplation of their internal problems? President Carter's Washington affords much less clear an answer to these questions than we have all got used to in the postwar era. There are quite a number of people outside the U.S. who on occasion are both bothered and bewildered.

MEN AND MATTERS

Sparks flying as bills come in

As housewives studying their latest electricity bills will be realising, the Central Electricity Generating Board has had a record winter. Even in December, when the cold weather was just starting to bite, the GECB sold 7.7 per cent more power than a year earlier—and December 19 was an all-time record with 44,107 megawats generated. The overall figures for January and February are thought to be even higher.

All of this is sweet music for the regional electricity boards, if not for the Department of Energy with its seemingly moribund "Save It" campaign. As Marion Jordan, secretary of the Electricity Consumers Council, *points out,* TV advertising by the boards for power-using appliances went on briskly throughout the campaign. "There might seem to be a fundamental conflict of interest," she says.

The birds—in the shape of those massive bills—are now coming home to roost. The London Electricity Board has recently sent out its demands for the quarter up to mid-February; I understand that welfare organisations are already being besieged by people in the "hardship categories" (once known as the poor) saying they will not be able to pay.

A forecast that this would happen was given a fortnight ago by Michael Barnes, chairman of the *Electricity* Consumers Council. The shock is being staggered, however: the boards sent out their demands at different times, so that householders in most parts of the country have not yet received bills for the winter months.

One irony is that many local authorities made their council houses all-electric in the age of cheaper power—because that was the cheapest form of installation for heating and cooking. Now the tenants are protesting at demands amounting to well above £10 a week. Although gas or solid fuel would in many instances be cheaper today, the cost of putting in gas pipes—not to mention chimneys—would be prohibitive.

"They'v cancelled the parachutes but we should be able to unload them for veils!"

Old story

The Soviet Union and its allies thrive on stories of extremely senior citizens celebating improbable birthdays. The Caucasus Mountains in par*ticular, where yoghurt-eating* centenarians fondly recall the Paris commune, provides an endless stream of such tales.

Over in Ulan Bator, capital of the Mongolian People's Republic, the East German news agency correspondent has just been jolted into action by the wedding anniversary of Ch Achbaju and Sh Chagila, who are celebrating their first century together.

As is usual in such cases, the couple are without birth certificates, but he insists he is 118, and his wife admits to 115. True to form, they attribute their longevity to good air, healthy food, and non-stop work.

Paper chase

A major national museum is to *make an al-out effort to buy the* massive colection of papers and paintings by James Grant, the African explorer, when these come up at auction today at Sotheby's. The collection, being sold by the Guise family of Highnam Court, Gloucestershire —*descendants of Grant—may* go for as much as £100,000.

The name of the museum is a close secret, but *it is known* that there are acute anxieties that the collection wil go abroad and be lost to sight in a private collection. Part of the collection includes many completely unknown letters by John Speke, with whom in 1862 Grant visited what is now Uganda. They were the first white men to reach that part of Africa.

The Speke letters throws entirely new light on his bitter quarrel with another explorer, Captain Richard Burton. The only part of the collection which the Guise family had shown to academics is the Grant journals, these have been microfilmed by one American professor. Sotheby's call the collection the "most important archive of a major African explorer to have appeared at auction."

Queen's English

Over lunch with Miss World and various Berlitz luminaries yesterday—(they were basking in the publicity they have attracted by enrolling the Argentinian Miss W. as a student)—I learned that the *school's histrionic style of teaching* goes awry with certain nationalities.

"We stand on top of tables, as if we were going to jump out of the window, until the student says 'don't do it.' It gets them speaking English," Miss W's tutor explained. Miss W, not yet having enjoyed her total immersion course, looked puzzled. "We give them £20 notes and say 'tear it,'" the tutor went on. "The Italians are especially good, they never do. But some of the Iranians used to rip them to pieces without thinking twice."

Two-way bet

The last White Paper on public expenditure disguised its uncertainty with time-honoured *phrases buried in the text,* as in references to "the extent to which projections depend on . . . insecure econometric relationships."

The latest entrant to the overcrowded ranks of economic forecasters, stockbrokers W. I. Carr, by contrast hedges its bets with a new style of boldness. On the outer cover of several pages of detailed and apparently precise figures comes the warning, comparable to that on a packet of sigarettes: "Forecasts are tentative and subject *to change." It sounds like* the most reliable statement we can expect to see from a forecaster this year.

Crumbs of truth

The Tass news agency has just sent out worldwide a picture showing some notably well-groomed Parisians lining up at a counter. Says the caption: "As can be seen in this picture the French are having to cope with a serious shortage of flour and bread."

What the tireless Tass cameraman forebore to mention is that the queue was at Poilane, the smartest bakery in the capital, whose costly wares are *much sought after* by gourmets with francs to spare.

Observer

هكذا من الأصل

The scarce pilots

BY MICHAEL DONNE, Aerospace Correspondent

Glyn Genin

A GROWING shortage of pilots one of the latest—and poten- ...lly serious—problems beset- ...ig the British air transport ...dustry. Some time soon the ...dustry, representing airlines ...d "general aviation" (includ- ...g business aircraft) users, is ...pected to decide whether to ... to the Government for finan- ...l help in overcoming this ...oblem.

The shortage is not a sudden ...enomenon. Many in the air- ...e industry have been fore- ...sting it for some time, as ...mand for air travel itself ...ows, and as more and more ...ew generation" jets join ... fleets not only to cope with ... increase in traffic but also ... replace existing ageing, noisy ...d fuel-thirsty airliners.

But there is little doubt that ... rate at which the pilot ...ortage has been overtaking ... industry has quickened in ... past year or two, largely ...cause of the speed with ...ich air travel has recovered ...m the doldrums of the mid- ...0s that followed the oil ...sis and subsequent industrial ...ession. During that time, ...ny airlines either halted re- ...itment, or slowed the pace ... training, or both. Big airlines ... British Airways even sent ...ne some pilots on full pay ...ause they had not enough ...rk for them. Many pilots ...nt overseas to expanding air- ...es in the Third World. Some ...n quit the industry and ...nd other jobs.

Now, the situation is chang- ... Traffic is rising again—up ... per cent alone in the UK last ...r. New fleets are on order: ...tish Airways has ordered 19 ...eing 757s and 28 Boeing 737s, ...l is expanding its Jumbo jet ...l TriStar fleets. Last year, in- ...ding BA, five UK airlines ...ether ordered a total of more ...n 40 Boeing 737s, and ...oughout the world more than ... jets were firmly ordered, ...ting over £8.5bn. Simultaneously, many older pilots who had served since World War II have retired or are about to do so. The RAF, once a source of pilots, is having difficulty getting enough of its own and is holding on to those it has got. Some of its transport pilots want to leave for the higher pay available in the airlines.

A recent study by the Air Transport and Travel Industry Training Board, based on the views of 19 UK airlines, showed that the shortfall of demand over supply could amount to 242 transport aircraft pilots by the end of this year, rising to 426 by end-1980 and rising further thereafter to reach a cumulative shortfall of 1,082 pilots by 1988. This figure may not seem large, but in fact it represents about 20 per cent of the expected net average annual "pilot stock" of about 5,800 in the period 1984-1988. Moreover, it is a 20 per cent shortfall of key personnel—pilots without whom airliners cannot fly. Such a shortage would impose severe operational and financial restraints on any industry, but to the airline industry, it could be crippling.

The shortage is not confined to Britain. In the U.S., a shortage of some 2,000 pilots is expected by 1980, and many major airlines in the world are beginning to find it difficult to get them. This might seem surprising in an industry where the top pay (in the UK) is around £14,000 to £18,000 a year, depending on seniority, although that is the peak of a career that can take a man many years to reach, probably, not until a man is in his 40s or even 50s, from a starting base of between £4,000 and £5,000. Pilots' pay varies widely throughout the world. In the U.S., some senior captains can earn as much as $80,000 or more a year, while even in Europe, allowing for higher living costs, some senior pilots get paid more than their UK counterparts, for example in France.

But there are tough conditions in a pilot's life. The responsibility of commanding a Jumbo worth over $50m with over 400 lives aboard is considerable. A high standard of character as well as skill is needed. The hours worked are often long, frequently through the night, and the pilot is often away from home for weeks at a time (if he is a long-distance pilot). The working conditions are uncomfortable—flight decks are cramped places in which to sit for hours at a time—and there can be no question of any "tailing off" of concentration as the working trip draws to a close. On the contrary, the pilot must then be at a peak of concentration, for landing his aircraft after a long overnight flight, perhaps in severe weather conditions and still in darkness, requires every atom of skill and alertness he possesses.

Moreover, the pilot has some regular hurdles to overcome that are not faced by other professional people—such as strict medical and proficiency checks every six months which, if failed, can mean the loss of his licence and perhaps even the end of his career. Furthermore, the road to eventual command can be long, perhaps 20 years or more. Thus, even if there were an adequate supply of suitable aspiring applicants—which there is not—the rejection and drop-out rates en route to the top are high.

Educational standards, and, more important, aptitude, have to be high. While any educational deficiencies can be rectified up to a point, lack of aptitude cannot. Thus, for every 1,000 would-be pilots, only a bare dozen or so are likely to make it through to the flight deck and high command. One of the industry's problems is that because of the stringent requirements, many who might have thought of a pilot's career get frightened off at the start, preferring less arduous activities.

The industry's Training Board has set out to try to do something about the emerging problem. British airlines already spend large sums on pilot training. The 19 airlines canvassed by the Board said they expected to spend collectively about £15m in 1979 on training, rising to about £20m next year, and further to an average close on £30m a year in 1984. The average cost of training a pilot from scratch (called "ab initio" in the airline business) to initial Commercial Pilot's Licence and flight-deck status is estimated at about £20,000, but this could rise substantially in the years ahead. Moreover, this is only the beginning, for once in possession of a CPL, the pupil-pilot still has to pass through his preliminary flight-deck training with the airline.

There are various sources of pilot supply. The "ab initio" training is largely paid for by the airlines themselves, and is undertaken by specialist flying schools—the Oxford Air Training School at Kidlington (with a division at Carlisle); Air Service Training at Perth; and the College of Air Training at Hamble (which is sponsored directly by British Airways).

Another source is the flow of pilots from the RAF, which is limited. There is also a limited inflow of private individuals, who pay for their own schools, while there are some pilots returning from work overseas. But some of the major establishments in the UK, such as the Oxford school, are busy training hundreds of pilots for overseas airlines, which recognise the high quality of the tuition, and thus the pressure on available places is heavy.

At a recent conference of all the interested airlines and other parties, including representatives of business aviation, the Training Board discussed five possible options for the future. Two of these it rejected outright as unsuitable—letting the forces of the market-place solve the problem, and imposing some form of penalty on airlines which do not train their own pilots, but rely on recruiting from elsewhere.

The first was rejected because it would solve nothing. It would not result in an improved supply of pilots, because of the limited sources available and the heavy costs, while it might also encourage "poaching" from the airlines as supply becomes tighter. The second was rejected because the imposition of penalties on airlines would be difficult to administer, and would not produce enough cash to be worth while. Moreover, it would introduce the novel expedient of punishing someone for not doing something that he was not required to do by law anyway.

But the three other options were given careful study. They were:

Option Three: Raising over a five-year period voluntary contributions from the airlines for an "ab initio" training pool, helped by some Government cash; this would be coupled perhaps with a financial penalty where "poaching" from the pool was proved;

Option Four: Soliciting Government aid over a five-year period, and raising cash to pay for the industry's share by what is called a "consensus levy" on the air transport industry—something the Government-established Training Boards can do by majority approval of the industry concerned; and

Option Five: Seeking longer-term government support for making pilot training (up to Commercial Pilot Licence standards) a normal professional college or university course, with fees paid out of national education funds.

The Training Board itself believes this last option (No. 5) is the best long-term solution to the problem. It believes that because the Government accepts graduate training costs for engineers, architects, dentists, doctors, computer technologists and so on, as a charge against the central education budget, a good case can be made for doing the same for pilots. Much of a pilot's training involves general subjects, such as mathematics, physics, aerodynamics, meteorology, navigation and so on. The board believes that many graduates leaving university might be tempted into pilot careers, if only they were approached in the right way, and their university courses subsidised.

At the same time, however, the board also believes that the adoption of options 3 or 4, involving soliciting some kind of aid from the Government while expecting the industry itself to put up some of the money, might be helpful in the short-term. The precise levels of aid from each source are not yet worked out in detail, but they would clearly amount to several million pounds a year, with much of it coming from the air transport industry itself.

These options are now being considered by the airlines, and they are expected some time this month to meet again under the aegis of the Training Board to exchange views and, it is hoped, to decide upon a common policy for the future.

What that policy will be, no-one yet knows. Views among the airlines differ, and while big airlines like British Airways can afford to finance pilot training at schools such as Hamble, smaller airlines cannot and have to find their pilots elsewhere.

But all are agreed that something will have to be done if they are not to find themselves severely short of qualified air-crew in the years ahead. They know that the emerging shortage is world-wide, and that foreign airlines will seek to make good their own shortages wherever they can—and that means the UK, with various inducements such as higher pay and more favourable working conditions.

THE GROWING PILOT SHORTAGE*

	1979	1980	1981	1982	1983	1984-88
Demand	383	384	406	441	466	599†
Supply	141	200	304	336	329	439†
Annual shortfall	242	184	102	105	137	120†
Cumulative shortfall	242	426	528	633	770	1,082

*Findings of an enquiry among 21 British airlines conducted by the Air Transport and Travel Industry Training Board
†Average per year

Letters to the Editor

Running a deficit

...m the Managing Director, ...esinger Investment ...agement Services.

S...r,—No finance director in ...ish industry would readily ... capital at current interest ...s, fixed for 20-25 years. The ...ket in new corporate debt is ... night non-existent (and ...ly so) at the rates of ...est prevailing in recent ...s. Yet the British Govern- ... continues to borrow vast ...s at very high interest rates ...l for long periods.

...there any evidence at all ... the wisdom of borrowing ...ong periods at high interest ...s is subject to critical ...aisal either at the Bank of ...land, the Treasury or within ... Cabinet? If so, why does ... borrowing continue rather ... opting for short-term fund- ... of public sector borrowing ...irements until long-term ...rest rates decline to more ...istic levels? If the "bene- ..." of deficit financing can ... be achieved at the cost of ...ntaining interest rates at a ...l which on any realistic ...lysis "crowds out" the ...ate sector from the long- ...n debt market, and which ...bits growth of the private ...or of the economy, what is ...act achieved by running a ...cit?

...seems to me to reduce to ... proposition that public ...or expenditure is more ...able of creating genuine ...nomic growth, genuine ...eases in employment and ... national wealth than a ...ilar amount of expenditure ... the private sector. If one ...eves that one believes any- ...g.

... is in the national interest ... excessive public expendi- ... be cut, that the growth of ... public sector relative to the ...ate wealth creating sector ... arrested, and that new issues ... long-term Government debt ...current rates of interest be ...ed. Everyone in the finan- ... community has the responsi- ...y to point out the folly of ...tinuing with the totally dis- ...lited fiscal and monetary ...cies which have been a ...ure of British Governments ...recent years.

...here are good grounds for ...eving that the present Gov- ...ment is beginning to pursue ...ad orthodox policies—for ...mple, the new policy on ... exchange rate which repre- ...ts a revolution in thinking. ...aluation is no longer ...arded as a positive asset. ... clear objective is exchange ... stability.

...hat is urgently needed is a ...parable revolution in think- ... on the benefits, relative to ... costs, of budget deficits, on ... wisdom of HMG, uniquely ...sidering it sound to issue ...g-dated paper at current very ...h interest rates. The theory ... the benefits of deficit ...ncing when such deficits can ...y be financed at very high ...els of interest rates should ... subjected to the comparable ...depth analysis which has ...ally discredited the theory of ... "advantages" of devalua- ...n in favour of exchange rate ...bility. Is it too much to hope ...t costs of budget deficits be ...jected to equally rigorous ...l open-minded analysis cast- ... aside until proven the ...ythology" that "deficits" ...resent a favourable medium ... long-term influence on ...ployment, profitability, profit- ...e capital investment and the creation of real economic wealth. One recognises, of course, that any move to a balanced Budget to eliminate the deficit could only take place over a number of years to avoid major economic disruption. The difficulties of a solution should not be allowed to prevent rational analysis of the problem.

Peter Baker,
19 Hanover Square, W.1.

Support for innovation

From Mr. A. Mayne

Sir,—While I strongly support your view (March 6) that the innovation process in industry integrally involves manufacturing, finance and marketing as well as R and D, I challenge your suggestion that "excessive preoccupation with research" is one of the shortcomings of previous policies. In fact, there is considerable evidence that, as a result of recent cuts, R and D in general and basic research in particular are now receiving inadequate support.

Job opportunities for researchers have been reduced, both in government establishments and in industry; in our Universities, there is still no secure career for those researchers who are not also academic teaching staff, with the result that several thousand highly qualified and skilled scientists are now out of work, while others could well be joining a new brain drain. If anything, grants in support of R and D at Universities tend to be assigned to investigations that are overspecialised and too oriented to the requirement for immediately applicable results. There is rather limited backing for those fundamental researches that provide full scope for the free play of the creative imagination and lead to speculative ideas that now and again contain the seeds of far-reaching technological break-throughs that could be implemented in the distant and sometimes not-so-distant future.

Such "potential break-through" projects are the "risk ventures" of R and D, for which few R and D budgets as yet provide adequate "risk capital."

Alan J. Mayne.
63a Muswell Avenue, N.10.

Maritime policy

From Elizabeth Young

Sir,—If the House of Commons Select Committee system is reformed (Malcolm Rutherford, February 23) into 12 specialist committees to cover responsibilities of existing Whitehall departments, some major subjects—those which lie fallen to the ground between Whitehall stools—will continue unexamined.

Maritime policy is possibly the most important of these: it is one which Parliament has yet—despite the excellent work of the Trade and Industry Sub-Committee under Dr. Edmund Marshall and the Science and Technology Committee under Arthur Palmer—to get to grips with.

No senior Minister is responsible for more than the procedural co-ordination of our maritime policy: virtually every senior Minister is responsible for some element, large or small. The result is that the system which landed us with—among other unnecessary and expensive affairs—the cod wars and the common fisheries policy, is still at work, continuing to confuse domestic isues and to disregard innumerable opportunities abroad.

Under a 12-committee system, maritime policy would still remain, would it not, unexamined and stagnant?

Elizabeth Young.
100, Bayswater Road, W2.

Petrol per litre

From Mr. A. Dunkley

Sir,—Sue Cameron (March 7) made me wonder what will happen when petrol pumps go metric. Could not existing pumps be converted to litres per pence and thus obviate the need for 110,000 petrol pumps to be converted to prices in excess of £1?

Mr. A. Dunkley,
Tignals Farm, Headley, Bordon, Hampshire

Advertising on the BBC

From the Principal Lecturer in Management Studies, Sheffield City Polytechnic.

Sir,—Mr. Bescoby's analysis (March 8) encompasses the field of the BBC establishment, politicians and BBC staff. He has not considered, I believe, the consumer.

There are consumers who foresee with dismay the possibility of advertising on BBC TV, with all its dreariness of substitution of image for substance, of "imitation" people for real people, and, above all, dreariness of the underlying motivational and perhaps ethical assumptions. Any thinking viewer of ITV is already reconciled to all this, or changes channel, or switches off.

With regard to programmes, the commercial approach applauded by Mr. Bescoby will within the BBC prompt the questions: "Who is paying?" "How much are they paying?" and "to what extent do these factors influence my decision making?" Any proposal to legislate against such questions is unrealistic. Thus if Mr. Bescoby's time field is extended, there is a real danger that programme decision making may be influenced by the answers to the first two questions.

From the above analysis, the danger to the consumer is two-fold: he will be subjected to the advertisements — for some an unpleasant experience — and the programmes themselves may be expected to suffer in time. A more pragmatic approach to the same problem is instanced by: "You get the quality you pay for" — ask any engineer or commercial man in capital plant, and "He who pays the piper calls the tune" — ask any Highlander.

The answer is for those consumers who want quality programmes to be prepared to pay a quality price. The licence fee may have to rise sufficiently to cover the desired quality of programme and staff in the BBC. The consumer who finds the economic implications disturbing may choose between going down-market in programmes or down-market in his TV set; he might trade in his colour set for black and white, or buy second-hand. As in business, there may be trade-offs between objectives.

K. I. McKenzie.
Sheffield City Polytechnic, Westbourne Road, Sheffield.

Electrifying the rails

From Mr. S. Leslie

Sir,—It is unsurprising that Mr. Rogers says (March 8) that he finds the British Road Federation's views on British Rail proposals for further electrification "depressing." Anyone reading the BR discussion paper would be depressed. The paper relies more on vague references to "enery shortages," "improved comfort," and business-school buzz words such as "synergy" than on a reasoned economic or financial case.

Indeed, the BR chairman admits that "the short term difficulty is the financial justification for the schemes." In the context of the famous £800m Treasury memorandum this "short term difficulty" may prove easily soluble.

The real cause for depression lies not so much in the shakiness of the BR case but in the nature of the electrification review group. This consists of the BR vice-chairman and the head of the Department of Transport Railways Directorate, hardly disinterested parties. Surely we have gone beyond this? The Leitch Committee, one of whose terms of reference was to examine the issue of comparability of investment appraisal between modes, recommended that a standard method of assessment for both rail and road investment could and should be implemented at the strategic level.

BRF has called for an independent commission to look at the allocation of investment resources between modes and the electrification case in particular. Such a commission is essential for an objective examination of BR's proposals. For example, it is doubtful whether such a commission would accept without question the BR contention that greater use of electric trains would inevitably result in a cost saving due to the reduced manpower requirement arising from the claimed lower maintenance needs.

Nor would an independent commission automatically subscribe to BR's belief, shared by the Transport Officers' Guild, that electrification would necessarily reduce oil consumption. As long as oil remains the marginal fuel for electricity generation, any increase in electricity demand will be largely met by a greater oil burn. So if there is no economic, financial or energy case for more electrification what reason is there—BR's unhappiness at being low-down in the international league table of electrified networks?

The fundamental fault of the present review is that it is unlikely to examine the benefits forgone which would result from diversion of funds from road investment (or for that matter other forms of rail investment). And in environmental terms it cannot make sense for needed by-passes to be further delayed for the sake of BR board prestige.

S. H. Leslie.
(Economist).
British Road Federation.
388-396, Oxford Street, W1.

Today's Events

GENERAL

U.K.: Amalgamated Union of Engineering Workers women's conference, Winter Gardens, Eastbourne.

Confederation of Public Health Employees demonstrate against pay offer.

Health and Safety Executive publishes report of investigation of £6m fire and explosion at Braehead Container Depot, Renfrew.

Mr. Edward Heath speaks at Westminster Chamber of Commerce lunch, Dorchester Hotel, W1.

Mr. Noravat Suwarn leads Thai selling mission in UK (until March 16).

Sir Derek Ezra, NCB chairman, speaks at National Federation of Building Trades Employers lunch, Royal Lancaster Hotel, W2.

Overseas: Mr. Takeshi Yasukawa, Japan's Ambassador for External Economic Affairs, starts nine-day European tour, visiting Paris, Bonn, Brussels and London.

Mrs. Fabrizia Baduel Glorioso, EEC Economic and Social Committee leader, on official visit to Athens.

EEC heads of state conclude meeting in Paris.

European Central Bankers meet in Basle.

OFFICIAL STATISTICS

Building Societies' receipts and loans for February. London clearing banks' monthly statement mid-February. UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits, mid-February.

PARLIAMENTARY BUSINESS

House of Commons: Debate on operation of courts in Scotland. Various Lords consolidation measures. At 7 pm, opposed private business.

House of Lords: Nurses, Midwives and Health Visitors Bill, committee. Shops (Sunday Trading) Bill, second reading. Short debate on the M25.

COMPANY RESULTS

Final dividends: J. Bibby and Sons. East Lancashire Paper Group. Fairclough Construction Group. Gough Brothers. Johnson Group Cleaners. Kleinwort, Benson, Lonsdale. Lambert Howarth Group. Trade Indemnity. United Biscuits. **Interim dividends:** Brooke Bond Liebig. Ductile Steels. Second City Properties.

COMPANY MEETINGS

Investors Capital Trust, 9, Charlotte Square, Edinburgh, 12.30. A. Kershaw 38 South Street, W, 10.30. Rank Organisation, Royal Lancaster Hotel, Lancaster Terrace Hyde Park, W. 12. United Scientific, Grosvenor House Hotel, Park Lane W. 12.

BCA hit by strikes and bad weather

THE RECENT industrial unrest and unexpectedly severe winter meant that pre-tax profits of **British Car Auction Group** were only slightly improved from £727,670 to £785,334 for the six months to January 31, 1979.

Mr. David Wickins, the chairman, says the disappointing and lack-lustre results are entirely due to the fact that for some weeks one half or another of its auction centres has been unable to operate properly because trading has been unable to get moving.

However, with vehicles, plant, equipment and various other items still there to be sold, the earnings which appear to have been missed are not totally lost, he states.

The directors are confident that by the year-end, group profits will be satisfactory.

For the 1977-78 full year, taxable profits were a record £1,715,414.

Half-yearly gross proceeds from auctions rose from £47.79m to £61.21m, with commissions earned higher at £2.62m (£2.17m) and other sales at £2.85m (£2.6m).

Attributable profits were marginally ahead from £290,960 to £300,094, after tax of £455,000 (£420,000), minorities, and an extraordinary debit of £4,710 last time.

Following its normal practice, the company will announce an interim dividend in April and this will be payable on May 31, 1979. Last year, a 0.66p net interim was followed by a 1.8525p final.

● comment

Profits of **British Car Auction**, which has fallen foul of the weather and strikes in the first half, are only 8 per cent higher. Although no auctions were cancelled, the severe winter conditions in January probably cost the company around £250,000 in lost earnings. In addition, overall commissions lagged behind sales growth because of lower margins on long-term contracts and there was a seasonal restriction on the profits from caravan, gas sales and pine furniture interests. Nevertheless, the worst now seems to be over and to date, gross turnover from auctions in the second half is showing a 25 per cent increase over the same period last year. On this basis, profits of at least £2.1m look possible for the year, which puts the shares, at 73p, on a fully taxed p/e of 10.3 while the yield is 5.7 per cent.

HIGHLIGHTS

Lex looks at the long delayed introduction of the EMS and considers the impact it could have on European bond markets. Lex also comments on the booming level of business on the London equity market. On the company front **Rolls-Royce Motors** has announced an increase of a third in 1978 pre-tax profits, but the loss of the Chieftain tank contract in Iran is causing problems this year at a time of heavy capital expenditure, while **Norcros** has won its battle to gain control of **Johnson-Richards Tiles**. Elsewhere **British Car Auction's** profits have been hit by the weather and strikes but at **Pentos** profits are pushing ahead to record levels.

Parker Timber behind

ON TURNOVER of £26.18m against £22.74m, pre-tax profits of **Parker Timber Group** were down slightly from £1.36m to £1.29m for the six months ended September 30 1978.

The directors explain that profits were affected by the generally low level of demand in the construction industry, coupled with production difficulties in the Deptford locations created by the group's building programme.

They add that trading, however, in plywood, export packaging, storage and packaging has been buoyant, and produced excellent results.

For the previous full year profits had fallen from £2.74m to £2.3m the dividend, paid in November, was 6.08p net per 25p share.

Six months profits were struck after interest of £154,000 (£150,000) and the net profit is given as £617,000 (£655,000).

New information and controls procedures introduced since October, will not have been operative for long enough to have much influence on current year's results.

However, the board anticipates that with the increased spread of franchises and certain changes in the operational management structure which are now being implemented, the coming year should see the group begin to realise its true potential and return to dividends. The last ordinary payment was in 1972.

The group carries on business as a new and used car and commercial vehicle retailer and repairer.

Nelson David up mid-way

FROM maintained turnover of £4.2m against £4.14m, profits before tax of **Nelson David** rose from £19,000 to £48,000 in the half year ended September 30, 1978, ahead of the £41,000 achieved for the previous year.

First half tax charge is £25,000 (£10,000) giving earnings per 5p share of 0.4p against 0.16p.

Merchants Trust expansion

AFTER all charges and tax of £0.98m compared with £0.88m, net revenue of **Merchants Trust** advanced from £1.34m to £1.56m in the year to January 31, 1979. Gross revenue for the 12 months moved ahead from £2.53m to £3.04m.

Earnings per 25p share are shown to have risen from 2.65p to 3.07p and the final dividend of 1.75p net raises the total payment from 2.6p to 3p.

RENTOKIL

Treasury consent has been granted for **Rentokil Group** to increase its total net dividend for 1978 by 16.1 per cent to 1.87p. The final was lifted to 1.15p, as reported on March 2.

Treasury approval had been sought on the basis of the group's increase in profits in 1978 and the level of its dividend cover in five prior years.

Pentos expands 23% —prospects 'excellent'

GOOD PERFORMANCES in the garden and leisure and construction sectors of **Pentos** helped profits rise to a record £4.01m pre-tax for 1978, against a previous £3.26m—a 23 per cent increase. Sales were up by over £13m from £41.8m to £54.84m.

At halfway profits were ahead from £1.07m to £1.11m and the directors said that overall prospects for the year continued to be good.

	1978 £000	1977 £000
Sales	54,840	41,600
Pub. and bookselling	23,958	18,465
Engineering	12,900	11,530
Garden and leisure	10,661	5,927
Construction	7,321	5,878
Profit	5,038	3,708
Pub. and bookselling	1,730	1,683
Engineering	1,397	1,278
Garden and leis.	1,141	602
Construction	780	145
Central loss	93	*48
Interest	934	800
Associate profit	—	304
Profit before tax	4,011	3,260
Tax†	893	849
Pentos	893	790
Associate	—	59
Net profit	3,118	2,411
Minorities	13	3
Extraord. debits	‡137	733
Making	2,968	1,675
Preference div.	3	3
Interim ordinary	261	224
Final proposed	560	444
Retained	2,144	1,004

* Profit. † SSAP 15 adjusted ‡Includes costs of the termination of construction activities in Saudi Arabia.

Mr. T. A. Maher, chairman, now states that, generally, current trading is satisfactory and prospects for 1979 as a whole, and for the longer term future, are excellent.

At the year-end, earnings are shown as 19.59p per 10p share compared with 15.56p last time and the dividend is stepped up to 5.025p (4.2925p) net with a final of 3.4036p.

Also announced is a one-for-one scrip issue, whereby shareholders will be able to take up the bonus shares in the form of new ordinary or a new class of deferred ordinary of 20p; these will not rank for dividend until 1989 when they will convert into two ordinary shares.

The Treasury has confirmed that the gross amount of dividend available to deferred shares, if ranked pari passu with the ordinary, will be available for distribution among holders of ordinary shares.

If the scrip issue had been effected in 1978, and the maximum 40 per cent of the new shares had been taken up in deferred, the ordinary shareholder who elected for an ordinary rather than a deferred, could have received a total gross amount of 9.375p instead of the proposed 7.5p.

Commenting on results, Mr. Maher, says the garden and leisure products division was again the strongest performer with an 80 per cent increase in sales and a 90 per cent increase in profits and the planned extension of the product range by internal development and by acquisition continues; the number of retail outlets for Casey's Camping increased from 29 in 1978 to 41 in 1979. "And we remain very optimistic about the future."

The anticipated recovery in construction was achieved, and was ahead of expectations. The market, however, continues to be depressed, he says, and the directors foresee no significant further improvement in the near future.

Bookselling had a good year, he states, with strong volume growth and a substantial increase in the scale of its operations both from new branch openings and from acquisitions. Current retail selling area is 45 per cent up on a year ago. The overall progress of publishing and bookselling as a whole was held back, however, by disappointing results from the publishing activities.

The large investment in new computer-based distribution systems and in an increased sales and marketing organisation has meant heavy initial costs and also start-up problems which have now been largely overcome, he explains.

In engineering, the Jeavons companies achieved excellent results, but in the Birmingham-based companies the disruption created by the major changes introduced towards the end of 1977 was greater than anticipated and this adversely affected output and profits.

In 1979, engineering prospects are encouraging, he adds, and the year started with substantially fuller order books.

Between April, 1978, and July, 1978, Pentos acquired Gardencast Aluminium, Casey's Camping, and Hodges Figgis and Co., for a total initial purchase of some £650,000 with further payments based on future profits.

Sisson and Parker and F. F. Allsopp and Co. were acquired on December 19, 1978, for a total consideration of £950,000.

As at December 31, 1978, total net borrowings—long and short term, and including the convertible unsecured loan stock—were £5.58m, which was 31 per cent (33 per cent) of total funds employed.

● comment

Pentos has clearly benefited from its close links with the buoyant level of disposable incomes. The upturn in 1978, which after a high level of acquisition and divestment comes down to a near 26 per cent advance below the line, stems largely from garden and leisure products but the mini-conglomerate's exposure to the consumer in such potentially difficult areas as specialist valves has done much to sustain the group's growth status. Institutions now hold around half the equity which explains the need to temper income requirements with an effective tax shelter for private shareholders electing to take the deferred equity alternative. The proposed dividend, under the current cover requirements, yields just 5.5 per cent and the notional payment, assuming the maximum allotment of new shares, indicates a return of no more than 6.9 per cent at 142p, up 12p yesterday. The Board is now contemplating a somewhat *quieter acquisitive phase* despite gearing of just 31 per cent and hopes must now rest on a reorganised publishing and bookselling division, camping and garden product activities and the four acquisitions last year to keep the momentum going.

LOFS agrees with bankers to defer loan repayments

BY LYNTON McLAIN

London and Overseas Freighters has decided not to seek Government aid to extend the repayment period for loans outstanding for ship purchases.

The group reached agreement instead with two of its bankers which agreed to accept deferments of two loan repayments.

These total £5.1m and are in the form of eurodollar loans falling due in the two financial years starting on April 1 1979. Almost £2.5m of the loan was for repayment in 1979 to 1980 and £2.6m in 1980 to 1981.

LOFS has won the right to defer the repayments until the succeeding two years, with almost £3m now due at the latest in 1981 to 1982 and £2.1m in 1982 to 1983.

The group started talks with the Government last May after Mr. Edmund Dell, then Trade Secretary, announced a three-year moratorium on capital repayments for part of the £880m of bank loans outstanding to the shipping industry under section 10 of the Industry Act 1972.

The moratorium is designed to help shipping companies which have short-term cash flow problems caused by the world recession in shipping. The clearing banks agreed to a request from Mr. Dell to ease loan repayments by British shipowners, particularly those operating small tramp vessels.

The Bibby Line of Liverpool, which operates bulk cargo vessels, earlier this month became one of the first large shipping companies to take advantage of the Government's moratorium scheme. The company is understood to have about £35m outstanding to various British shipbuilders.

Under section 10 of the Industry Act, 1972, the Trade Secretary may, with the consent of the Treasury, guarantee payment to the banks of loans for shipbuilding in Britain, under the Home Shipbuilding Credit Guarantee Scheme.

There were 42 applications for loans totalling £134.2m last year (1977-78) compared with 38 applications for loans of £145.9m in 1976-77. In the first 10 months of the current financial year there were 38 applications for loans of £165.5m.

LOFs was helped in its decision not to go to the Government for help by the £14m received from the Treasury as compensation *for the nationalisation, in British* shipbuilders, of Austin and Pickersgill, the company's former wholly-owned shipbuilding subsidiary of Sunderland.

Applicants for aid under the Government moratorium have to show that they have no recourse to alternative sources of finance, such as further bank loans or cash injections from large parent companies.

Under the scheme, interest still has to be paid and in all cases normal repayments will start again by June 30, 1982, by which time the Government, perhaps optimistically, expects the worst of the shipping recession to be over.

IN BRIEF

AARONSON BROTHERS (plastic laminate and wood veneer group)—Results year ended September 30, 1978, reported February 1 with chairman's observations on prospects. Group fixed assets £12.18m (£10.21m). Current assets £20.47m (£14.25m) including cash up from £0.7m to £1.93m. Current liabilities £13.93m (£11.92m)—overdrafts down from £3.89m to £2.47m and bank loan halved at £0.75m (£1.5m). Meeting, Savoy Hotel, March 29, at noon.

RIVER AND MERCANTILE TRUST—Results for 1978 already known. Investments at valuation £31.49m (£30.63m), net current liabilities £24,377 (£492,919 assets). Net liquid funds decreased by £139,958 (£519,199). Meeting, 44 Bloomsbury Square, WC, March 29, 12.15 pm.

ATTOCK PETROLEUM—Results for year to June 30, 1978, already known. Group fixed assets £2.07m (£14,000). Debtors £105,000 (£941,000). Short-term deposits £1.65m (£177,000). Net current assets £1.45m (£578,000). Increase in working capital £646,000 (£256,000 decrease). Chairman says Board will probably seek further opportunities to broaden its base by acquisition—suspension of listing may again from time to time be unavoidable. Prospects for current year will depend to some extent on sales level of natural gas from Texas properties. Meeting, Quaglinos, SW, on March 28 at noon.

COLONIAL SECURITIES TRUST CO.—Results for 1978 already reported. Listed UK investments at market value, £4.97m (£5.52m); elsewhere, £3.59m (£2.45m); unlisted at directors' valuation £0.35m (same). Net current assets £0.4m (£0.53m). At February 5, London and Manchester Assurance Company and its subsidiary, Welfare Insurance Company held 17.68 per cent of deferred capital. Meeting, 117 Old Broad Street, EC, March 28, 12.15 pm.

FIRST GUERNSEY SECURITIES TRUST—Dividend 3.5p (adjusted 3.03p) for 1978. Revenue £19,287 (£14,970) before tax £4,185 (£2,723). Net asset value per £1 share 204p (185p).

FAMILY INVESTMENT TRUST—Net income for January 31, 1979, year £210,755 (£174,425) after all charges including tax £113,006 (£93,837). Earnings per 25p share 4.78p (3.96p), final dividend 2.85p (2.35p) making 4.6p (3.85p) net.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Dixor	0.33	April 19	‡0.25	0.33	‡0.25
Lunuva Tea	10	April 27	5.5	10	5.5
Merchants Tst.	1.75	May 18	1.6	3	2.6
Pentos	3.4	July 3	2.84	5.02	4.29
Richmond Park Laundry	1.45	—	1.45	1.45	1.45
R-R Motors	2.99	May 9	2.46	5.23	4.3
Stothert & Pitt ......int.	2.65	April 4	2.4	—	10.68
Tyzack Sons & Tnr. int.	1.25	—	1.25	—	2.88

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For nine months.

Stothert & Pitt warns on margins

From turnover of £17.45m against £13.07m, profits before tax of Stothert and Pitt increased from £619,000 to £709,000 in the 28 weeks ended January 13, 1979.

The directors say the turnover increase was achieved in the face of fierce and growing price competition which has limited the advance in earnings.

This situation is expected to persist and as trading conditions in many markets remain poor, continuing pressure on profit margins during the second half must be expected.

The interim dividend is lifted from 2.4p to 2.65p per £1 share—last year's total was 10.68p from pre-tax profits of £1.33m.

Profit in the first half is after depreciation of £186,000 (£141,000) and interest, £166,000 against £54,000. Tax takes £33,000 (£25,000) leaving net profit at £676,000 compared with £594,000.

Activities of the group include making materials, handling equipment, cranes, deck gear and pumps and paint machinery.

Plaxton's director resigns

Mr. Humphrey Snell, a joint managind director of Plaxton's (Scarborough), the coachbody builder, has resigned "for personal reasons."

The group would not elaborate on the reasons yesterday but did say that Mr. Snell's resignation had been made "by mutual agreement," although it was "accepted with regret."

Mr. John Pepper, the group finance director, has been appointed joint managing director, with Mr. John Birley remaining as the other managing director.

Mr. Birley is joined by Mr. William Newham who will act as joint managing director of the coachbuilding division.

G. Armitage up 117% to £1.5m

MR. GEOFFREY ARMITAGE, chairman of George Armitage and Sons, tells members in his annual review that the company is in good shape and a strong financial position.

He reports record taxable profits of £1.52m for 1978, a rise of 117 per cent on the £698,000 for 1977. Turnover was up from £4.06m to £5.86m and the year's tax charge took £795,000 (£182,910).

The chairman says the current year has started with severe wintry conditions which have adversely affected sales; "clearly we shall not benefit from stock profits to the same degree as in 1978," he states.

At the *interim* stage profits had jumped from £179,000 to £613,000. Brick deliveries were up by 50 per cent compared with an 11 per cent national average, and resulted in a reduction of three weeks in brick stocks against an eight-week increase previously.

Mr. Armitage says this trend continued until the year end, when the company had reduced its stocks from 15 weeks to eight weeks.

This decrease made a positive contribution to cash flow, he adds, cash at bank and in hand was £1.37m at year end compared with £1.988.

Earnings per 25p share are shown at 42.64p (32.97p) and the dividend is stepped up to 7.5p (1.9453p) net with a final payment of 6.51p. The company is unquoted and has close status.

هكذا من الأصل

R-R Motors climbs to £14.6m: strong demand

Terry Kirk
Mr. Ian Fraser, the chairman of Rolls-Royce Motors, seen with the Silver Shadow Mark II

…OFITS before tax of Rolls-…yce Motors Holdings rose 33 …r cent from £11m to £14.6m in …78 on turnover up 25 per cent … £152.2m.

…First-half profits had improved …m £3.72m to £5.4m and the …ectors were then anticipating … satisfactory outcome for the …ar.

…Basic earnings per 25p share … shown at 16.15p against …09p and the final dividend is …9p making a total of 5.23p …mpared with 4.3p previously.

…Prospects for Rolls-Royce and …ntley motor cars remain …ellent with demand in major …rkets at home and in the U.S. …maining very strong the direc…s say.

…t is planned to increase the …tribution of the car business … year, although output was …w planned levels during the …y part of 1979 due to the …cts of the dispute in the road …lage industry.

	Year 1978 £000	1977 £000
…over	152,182	121,940
…tor cars	86,474	73,162
…sel engines	47,634	31,746
…her products	19,074	17,032
…s	16,541	12,768
…tor cars	10,098	8,532
…sel engines	4,469	2,416
…her products	1,974	1,820
… etc., interest	1,901	1,287
interest	6	478
… before tax	14,634	11,003
…ax	4,711	2,083
…seas tax	351	1,620
…profit	9,572	7,300
…nge losses	312	609
…rity interests	46	26
…ordinary credit	—	1,226
…butable	9,214	7,991
…m dividend	1,321	967
… dividend	1,764	1,269
…ned	6,129	5,755

…r production in 1978 con…ted £10.1m (£8.53m) to …ts and £85.5m (£73.2m) of …over.

…rect exports from the UK of …roducts amounted to £60.3m …2m) and group turnover in …tries outside the UK rose … £59.9m to £67.6m.

…e accounting policy for …rred tax has been changed … provision is now made only …e there is reasonable …ability that a liability will … in the foreseeable future. … figures have been adjusted …flect the change.

The company's surveyors, Chestertons, re-valued the land and buildings of the principal subsidiary, Rolls-Royce Motors on an open market basis as at December 31, 1978. The resulting surplus of £6.25m has been added to non-distributable reserves after deducting the expenses of the valuation.

The directors say two of the principal markets for Rolls-Royce diesel engines, generator sets and fighting vehicles have suffered set-backs during the past few months.

The major export markets for generator sets manufactured in Great Britain include Nigeria, Iran, Iraq and Turkey, all of which for a variety of reasons virtually ceased to take deliveries of such equipment.

Political events in Iran have caused the cancellation of an order for 1,350 British main battle tanks with the Rolls-Royce V12 engine. Manufacturing facilities for the V12 engine were funded by the government and when the contractual negotiations concerning the cancellation are completed the company should not suffer serious loss.

However, the projected earnings of this programme will not materialise and in addition the task of launching the commercial V8 and V12 engines will be made more difficult since the facilities for manufacturing both are closely related.

As a result it has been necessary to restrict the working week in the diesel engine factories to four days until market conditions improve. While it is not possible to forecast the out-turn in the diesel engine business for the year it is hoped that profits, albeit at a lower level than in 1978, can be achieved, the board states.

The aerospace components business has good forward order cover and will show significant improvement on the 1978 figures.

The year-end balance sheet shows net current assets of £24.63m (£25.64m). There is a £3.66m increase in bank overdraft (£1.72m decrease) a £544,000 (£6.33m) decrease in bank balance and £3.66m (£1.31m) increase in notes and bills payable.

See Lex

Clydesdale Bank rise to £21m

…OFITS of the Clydesdale … increased from £14.01m to …3m in 1978 before …of £11.45m compared with …n.

…ding profit of the bank, a …diary of Midland Bank, …nted to £20.72m (£14m). …ends absorb £1.51m …m) and £7.77m against … is retained.

…serves at December 31, 1978, …at £58.87m against £51.1m … earlier.

…ere appropriate the com…ive figures for 1977 have …restated and there is also a …e of presentation in the … and loss account in respect … grossing up previously of …ends received from UK com…s.

… directors consider that, … from exceptional releases of bad debt provisions amounting to £5.99m, changes in accounting policies for bad debts have had no material effect on profits.

Under the new accounting policy for obsolescence of buildings, £0.72m was charged in 1978 as a result of revaluations of certain premises following major reconstructions.

During the year a profit-sharing scheme was introduced backdated to August 1, 1977, and productivity scheme payments were made, for the first time, in 1978; the amount charged for these schemes amounted to £1.77m.

As a result of SSAP 15, the tax charge in 1978 has benefited by £1.11m and £2.26m has been released to reserves in respect of prior years of which £0.63m relates to 1977.

Reserves at December 31, 1977, have been restated by the addition of the released deferred tax, and the transfer of £0.09m of outstanding investment losses (net) at that date.

GLENDEVON MAKES PROGRESS MIDWAY

For the six months to January 31, 1979, pre-tax profit of Glendevon Investment Trust advanced from £140,714 to £173,909.

Tax for the period took £68,548 (£54,494) and earnings per 25p share are estimated at 2p (1.91p).

As already known the interim dividend is held at 0.75p. Last year's total payment was 1.85p.

At January 31, the net asset value per share was 135.4p (140.4p at July 31, 1978).

MINING NEWS

Ayer Hitam foiled on lease renewals

BY PAUL CHEESERIGHT

THE POLICY of seeking greater control of the local tin industry, adopted by the state Government of Selangor, in Malaysia, has moved a stage further with the announcement that Ayer Hitam Tin Dredging is having lease talks with Kumpulan Perangsang Selangor, the state-owned mining company.

Ayer Hitam yesterday said that two mining leases were involved. They cover an area of 831 acres. The company applied for a lease extension in 1976, but this has now been rejected by the Government, which has instead granted the leases to KPS.

The Government's action is similar to the steps taken when Berjuntai, like Ayer Hitam a member of the Malaysia Mining Corporation group, applied for a renewal of leases. KPS will now presumably seek to negotiate a joint venture.

Part of the course of Ayer Hitam's No. 2 dredge falls within the lease area in question and the company said, "Discussions with KPS are now in hand with a view to continuing mining operations within the area."

Ayer Hitam's involvement with KPS, however, will be more significant for the medium-term than for the immediate future. Apart from the movement of the No. 2 dredge, operations are not likely to be materially affected this financial year.

Earnings are, in any case, on a strongly rising trend. With production markedly higher than in 1977-78 and metal prices at an increased level, net profits in the six months to last December were M$5.58m (£1.25m) against M$2.7m in the same period of 1977. The interim dividend is maintained at 150 cents (33.6p) gross of Malaysian tax. Total payments for 1977-78 were 300 cents.

Should Ayer Hitam reach an agreement with KPS, it will be the fourth company to do so since the Selangor Government announced its policy of greater intervention towards the end of last year.

Berjuntai has recently secured its mining leases and entered into a joint venture with KPS. Pacific Tin Consolidated also has a joint venture, while KPS has reached an agreement with Brooklands Rubber Estate to buy tin-bearing land from it on a piecemeal basis. Conzinc Riotinto Malaysia already had an agreement with the state Government.

The London market has taken these developments quietly and yesterday marked Ayer Hitam up 10p to 395p on the strength of its earnings and dividends. Similarly, Malayan Tin, up 5p at 460p, and Southern Malayan, up 15p at 400p, advanced following their interim figures announced last Friday.

These three companies are the only producers of any size in the MMC group whose production, all after eight months of the current financial year, has reached a higher cumulative total than at the corresponding stage of 1977-78 year.

The latest output figures for the group mines are set out in the accompanying table:

	Feb. tonnes	Jan. tonnes	Dec. tonnes
Aokam	152	119	120
Ayer Titam	168	188	335
Berjuntai	325	353	287
Kamunting	52	46	43
Kramat	—	6	28
Kuala Kampar	16	19	18
Lower Perak	17	18	24
Malayan	246	232	230
S. Kinta Cons.	128	153	156
Sthn. Malayan	174	212	247
Sungei Besi	203	224	218
Tongkah Harbr.	61	110	45
Tronoh Mines	158	174	181

● Renong Tin Dredging yesterday declared a gross interim dividend of 3.0p, compared with 1.5p at this time last year and a total payment of 8.5p for 1977-78. Pre-tax profits for the six months to last December were £17,890 against a loss of £35,329 in the 1977-78 first half.

FORDING COAL

Fording Coal, whose Elkford mine is the second largest metallurgical coal operation in Canada, has embarked on a C$15m (£6.2m) expansion plan to develop additional sales.

The expansion plan includes a new silo, with capacity of 15,000 tonnes, and the completion of underground development work in preparation for a future hydraulic mine.

Mr. J. H. Morrish, the Fording president, said the company was developing a more aggressive selling policy. The mine has a long-term contract to supply Japanese steel mills with 3m tons of coal each year. Fording is 60 per cent owned by Canadian Pacific Investments and 40 per cent by Cominco, itself a subsidiary of CPI.

MINING BRIEFS

RAHMAN HYDRAULIC—February output of tin concentrates 67 tonnes (January 70 tonnes).

SAINT PIRAN—February production of tin concentrates by group companies (figures in tonnes) UK 234 (70 per cent tin metal), Malaysia 17, Thailand 91. January outputs: 195, 40 and 74 respectively.

International round-up

SAMANTHA EXPLORATION yesterday told the Sydney Stock Exchange that it had signed an agreement with MIM Holdings and Western Selcast, a unit in the Selection Trust of London group, giving them the right to a 60 per cent interest in 17 Samantha claims near the Teutonic Bore copper-zinc deposit in Western Australia in return for what was called a "major exploration programme."

* * *

Royalties on the net sales proceeds of uranium from the Queensland Mines deposit at Nabarlek in the Northern Territory will be 5.75 per cent, according to an Australian Government spokesman. He was clarifying earlier confusion. The Aboriginals will receive 4.5 per cent and the Northern Territory Government, through the Commonwealth Government, 1.25 per cent.

* * *

Brazil has reached a tentative agreement with the European Economic Community to export 280,000 tons of cast iron this year at slightly under European prices. This is slightly over the 1978 total but well below Brazilian exports of 440,000 tons in 1977.

* * *

United Keno Hill Mines, the Canadian lead-zinc-silver producer 48.4 per cent owned by Falconbridge, offset higher costs by mining richer grades at a time of better metal prices to earn a net C$3.8m (£1.57m) last year, compared with C$2.4m in 1977. It was the company's second most profitable year.

* * *

Reserves at the Virginiatown gold mine of Kerr Addison, the Canadian company in the Noranda group, declined to 323,000 tons averaging 0.37 ounces gold by the end of last year from 520,000 tons averaging 0.4 ounces gold at the end of 1977. Since 1938, the mine has produced 35.5m tons of gold-bearing ore.

* * *

Pamour Porcupine Mines, another member of the Noranda group, reported that its ore reserves at the end of 1978 were 1.95m tons of ore grading 0.12 ounces gold and 561,000 tons of ore averaging 0.62 per cent copper and 0.03 ounces gold. Profits last year were a record C$5.2m (£2.15m).

* * *

Anglo-Bomarc Mines of Vancouver is negotiating finance for a C$1.0m (£414,850) programme to establish reserves necessary for an opencast mine at the Adit area of its Hercules silver-lead-zinc property near Cambridge, Idaho.

* * *

The firmness of the gold price has induced Kiena Gold Mines in the Falconbridge group to authorise a new feasibility study of its gold property in the Malartic district of Quebec. There are three shafts at the property, which will have to be de-watered. Development was contemplated in the 1960s but rejected as uneconomic. Reserves in the main zone are put at 2.76m tons averaging 0.232 ounces gold.

* * *

Marievale Consolidated, the South African gold mine nearing the end of its life, controlled by Union Corporation, will carry in milling surface dump rock until about December 1980, according to Mr. W. R. Weeks, the chairman, in his annual statement. Earlier estimates had given March 1980 as the likely date for the end of milling.

Utah looks at two new mines

UTAH DEVELOPMENT, the major Australian coal producer which is controlled by General Electric of the U.S., is looking beyond the coming-on-stream of the massive Norwich Park venture and is examining the possibility of starting two new opencast mines in Queensland.

The group's annual report stated that leases held by Central Queensland Coal Associates, in which it has a 76.25 per cent stake, contained two other areas apparently suitable for mining.

The disclosure is a practical affirmation of the confidence expressed in the annual report. In the next few years, Utah Development expects to see growth resume in the Japanese and European steel industries and new customers for coking coal emerging in South America and Asia.

Last year the group's coking coal shipments increased fractionally to 16.1m tonnes, with Japan providing 62 per cent of revenue and Europe 33 per cent. But a lengthy strike and the introduction of a new profits tax checked the upward trend in earnings and held them at A$138.2m (£76.2m).

Norwich Park, which will be the fourth opencast mine owned by CQCA, is expected to start production in the middle of the year. It is Utah Development's biggest project, costing A$245m. At an output of 4.3m tonnes a year, it will lift Utah Development capacity to 22m tonnes.

● Officials from Italsider, the Italian steel group, have visited Oaky Creek, the A$200m coal project of Houston Oil and Minerals Australia, to discuss the possibility of purchases worth A$30m. They also had talks with Mr. Ron Camm, the Queensland Mines Minister.

HUDBAY REVISES EARNINGS

Hudson Bay Mining and Smelting, a Canadian arm of Anglo American Corporation of South Africa, has revised upwards its 1978 fourth quarter and full year earnings. An announcement yesterday said that this followed a decision by the Canadian Institute of Chartered Accountaints to suspend the introduction of a new accounting standard.

The final quarter earnings are now C$1.4m (£584,000) instead of the originally stated C$438,000 and compare with a 1977 final quarter loss of C$377,000 and not a loss of C$438,000, as first stated by the group.

The net earnings for 1978 are now put at C$5.09m (£2.11m) after being first stated as C$4.12m and compare with 1977 net earnings of C$56.9m, when the total was inflated by the extraordinary item of the sale of the Sylvite division to the Potash Corporation of Saskatchewan.

The Canadian Institute of Chartered Accountants has a new accounting standard related to the translation of long-term debt in foreign currencies.

SOHIO ENLARGES COAL RESERVES

Old Ben Coal, a division of Sohio Natural Resources, itself part of the Standard Oil of Indiana group, is acting on options in southern Illinois to asquire an estimated 200m tons of high quality medium sulphur coal.

The options have been held with Dahlgren-Moores Prairie Coal Association and the exercising of them will cost $54m (£26.5m), a Sohio spokesman said yesterday.

The coal property covers about 40,000 acres. Its acquisition will strengthen Old Ben's position in the mid-West producing region and improve the company's ability to serve power utilities and large industrial users, according to a spokesman.

A parent holding company produces a new Pru

BY ERIC SHORT

THE NEW STRUCTURE

PRUDENTIAL CORPORATION LIMITED

- Prudential Corporation Holdings Ltd.
  - L'Escaut
  - Mercantile & General
  - Vanbrugh
- Prudential Assurance Co. Ltd.
  - Prudential Assurance Co. of South Africa Ltd.
  - Prudential Pensions Ltd.
  - Prudential Portfolio Managers

LAST YEAR the Prudential, Britain's largest life assurance company, announced a major change in its existing structure. This consisted in setting up a holding company, called the Prudential Corporation, which, while not an insurance company itself, would control all the insurance operations of the group.

The Prudential Corporation came into being at the beginning of the year. Last month, Eagle Star Insurance announced that it was following a similar route. Although holding companies are the normal method of controlling industrial conglomerates, it is very much a novel idea in UK insurance groups. Why should such changes be made at all, and what differences will it make to the operations of the Prudential and other insurance groups?

The popular image of the company is still very much that of the "Man from the Pru" — implying stability, perhaps stodginess, but certainly a down-market home service operation. But although the Pru is still by far the largest in this area, with over 9,000 field staff, it has expanded from this base into all sectors of the insurance industry, both by organic growth and by acquisitions.

The Pru is now second only to Legal and General Assurance in the group pensions field. Its acquisition of Vanbrugh Life (formerly Vavasseur Life) has made the group number three in the linked life field. Its take-over of Mercantile and General reinsurance has brought a major reinsurance group into the fold. The group has expanded its overseas operations, non-life as well as life, in many countries. It is now a large insurance conglomerate earmarked by Labour Left wingers as one of the seven UK insurance groups to be nationalised.

Less time

The old Prudential Assurance Company had reached a state of development in which the various subsidiaries had become substantial companies in their own right. The top officials in the Pru found that they were becoming more involved in running the group and had less time to devote to the affairs of the various companies. The kind of overall planning which had become necessary if the group was to fulfil its potential had become more important and also more complex.

The management felt that the time had come to separate the responsibilities of controlling the group from those of running the various subsidiaries. The solution was to establish a newly created parent as a holding company, with the sole function of ownership of the group.

Flexibility

This, the Pru feels, will provide the flexibility of management needed for the future running of the group. But even now Prudential Corporation is in existence nothing is cut and dried. Instead, it has been decided to form the holding company and then ascertain by experience the most suitable method of operations.

Broadly, the Corporation will be concerned with establishing an operational framework within which each company will operate, and will concentrate on co-ordination of the group's activities and the allocation of resources. The day to day operation of each company will remain the responsibility of its own board and management.

At present the only full time executive on the Corporation is Mr. Bill Haslam, the full-time group chief executive. The other members of the management are part-time, still retaining their old responsibilities in the Prudential Assurance Company (PAC). The chief general manager of the PAC is Mr. Desmond Craigen, who is not on the management of the Corporation. Running PAC is a full time job, and, it is argued, one that needs to be divorced somewhat from the operations of the other subsidiaries.

The new framework of control is shown in the accompanying chart. The split into four operating subsidiaries is considered the most natural development from the previous organisation. Mercantile and General Reinsurance, Vanbrugh Life and L'Escaut, the Belgian life company, operated virtually independently of Prudential Assurance even before this new development. The one surprise is that the Prudential Assurance Company, with its variety of operations in life and non-life in the UK and overseas, has not been split into separate components. Obvious moves, for instance, would be to separate the UK and overseas operations. But it is felt that in view of the inter-related operations of the various activities of Prudential Assurance, a physical split would be neither desirable nor practical at present.

Because of the flexibility of the new structure, such splits could be made in the future much more simply than under the previous organisation. It is quite possible that legislation could force such changes on the Pru, as on all other UK insurance groups, sometime in the future. Indications from the European Economic Community are that insurance groups may be forced to separate life and non-life operations as is already the case in West Germany. Mr. Tony Ratcliffe, chief general manager of Eagle Star, points out that an application for a licence to do life business in one unnamed European country has already been turned down because the group had a licence to transact non-life business there.

The transfer to a non-insurance holding company also provides flexibility in other areas of operation. The Prudential Corporation, being a new company, is free of statutory dividend limitations.

The Pru's dividend announcement is due towards the end of this month. The group has maintained all along, however, that dividend freedom is a marginal benefit to the change rather than the main reason for making it. The Eagle Star, for its part, will not be able to get the holding company into existence before the 1978 dividend is declared.

The new arrangement also offers real flexibility on the financing front. If an insurance company raises loan capital, it has no beneficial effect on solvency. It merely creates a liability to match the new asset leaving its capital base unchanged. To boost its solvency margin—that is, its shareholders' funds expressed as a proportion of premium income —it has to raise equity-type capital. The Pru itself acquired Standard Trust for just this purpose.

But the holding company could, if it wanted, borrow money in its own right to put up the equity capital of an insurance subsidiary. In practice, this could probably only be achieved by a diversified business like the Pru and even then there would be limits to how far it could be taken. Yet it could be a big help in certain circumstances — when asset values collapse, as they did in 1974 for instance. In such circumstances a rights issue would be very difficult but a group of the Pru's stature could still borrow the money.

Solvency

There are other financial benefits. The solvency margin calculation for Prudential Assurance will be separated from that of the Mercantile and General. Under the previous system, Mercantile and General had to be consolidated with Prudential Assurance, thereby depressing the solvency margin of Prudential Assurance.

This segregation facility will be even more important to Eagle Star with its substantial non-insurance trading interests like Grovewood Securities. The method laid down by the Regulations to the Insurance Companies Act for valuing such non-insurance holdings when determining solvency margins results in a heavy write down of the real worth. What shareholders want to see is its worth to them, and with a holding company this [illegible] be possible.

BIDS AND DEALS

Bejam pays £5m for EMI restaurant chain

BY ANDREW TAYLOR

AN acquisition worth £5m h, Bejam Group, the freezer l frozen foods concern is to ve into the fast-food res-rant business with the rchase of a chain of 38 taurants owned by EMI.

All but 12 of the restaurants quired from EMI are in the ndon area, many of them ding under the Wimpey and nnessee Pancake banners.

n addition Bejam is propos- to start a new fast food in trading under the banner Trumps. The first Trumps let is expected to be opened Romford later this year.

Mr. Laurence Don, deputy irman said that fast-food rations were a natural exten- of Bejam's existing frozen d business. He said that the up had been planning this ve for more than 12 months. Mr. Don said that Bejam had n very impressed by the cess of the MacDonald fast- d chain—which only recently ted operations in the UK— hoped to run the Trumps in on similar lines.

He said, however, it was not intention to draft the aurants acquired from EMI Trumps although one or of them may join the new in.

The EMI deal marks a further onalisation of EMI's leisure iness. Last year the group one of its hotels—in Aber- —for £1.25m.

EMI's review of some of its ure activities has come at a when the group has faced ificant losses on its scanner ness which absorbs a high ree of research and develop- t costs.

Sir John Read, EMI's chair-, said last night that to ntain the 38 fast-food outlets ld have required EMI to e further significant invest- t. He said that the group maintaining its Angus k House chain which ained profitable as did EMI's r diverse leisure activities.

Sir John said that EMI had ed at its leisure activities a view to making disposals he believed this programme now been completed with sale to Bejam.

The business is now being carried on by Grangeregion, a wholly owned subsidiary of Edmund Nuttall which will trade under the name of Mears.

HARSCO/ DARTMOUTH

Acceptances of Harsco Corporation's for the capital issued and to be issued of Dartmouth have been received from the holders of 91.4 per cent.

The offers have become unconditional and remain open.

Harsco intends to acquire compulsorily any outstanding shares in Dartmouth.

MR. DIPRE LEAVES TRIDANT PRINTERS

Mr. Remo Dipre and four other directors have resigned from the Board of Tridant Group Printers.

The others are Mr. A. M. Carey, Mr. D. Ensor, Mr. D. M. Mackay and Mr. B. N. Weatherill.

The move follows the completion of the takeover of Tridant by Argus Press, a subsidiary of British Electric Traction.

Mr. Dipre's own side deal with Argus—whereby his private company, Starwest, would buy the legal and professional division of Tridant—was blocked on Friday by former shareholders of Tridant,

Shareholders concerned refused to agree to the deal under which Mr. Dipre proposed to pay £375,000 for the divisions in addition to assuming responsibility for some £428,000 of related debts.

ASSOCD. LEISURE

W. I. Carr, Sons and Co. have sold on behalf of Coral Leisure Group 1,800,112 Associated Leisure ordinary shares at 88p per share (6 per cent).

These shares were put through the market and placed with institutional clients.

CHAMBERLAIN GROUP

The offer by Brown and Sharpe Manufacturing Company for Chamberlain Group has become unconditional and will remain open.

Acceptances have so far been received in respect of 90.9 per cent of the shares for which the offer was made. At the EGM of Chamberlain, the scrip issue was approved.

ASSOCIATES DEAL

On March 9, W. Greenwell, as brokers to Armitage Shanks Group, sold on behalf of the M and G Island Fund 50,000 Armitage Shanks Ordinary shares at 80½p.

MEARS CONSTN.

It is now confirmed that a contract has been signed between Mark Homan of Price Waterhouse and Co., as the Receiver of s Construction and Edmund all as purchasers of the busi- goodwill and assets.

Lucas favoured by move in French takeover dispute

BY DAVID WHITE IN PARIS

THE Lucas motor components group's legal battle over its frustrated French takeover plans yesterday took a decisive turn in favour of the British company.

The Paris Commercial Tribunal declared null and void a move by Lucas' French competitor Ferodo which threatened to prevent Lucas from assuming control of an electrical parts manufacturer, Ducellier.

Lucas, which owns 49 per cent of Ducellier, agreed early last year to take over the remaining shareholding, held by a subsidiary of Bendix of the U.S. but in September, with French Government approval for the Lucas plan unforthcoming, Ferodo moved in with a complex financial manoeuvre which gave it rights to effective majority control.

Yesterday's verdict overruled this agreement, and declared that the French group, Bendix and the latter's French offshoot DBA had engaged in unfair practices to the prejudice of Lucas.

Ferodo paid DBA the same amount—$26m—that Lucas had agreed to pay for the controlling stake. Its agreement meant that ownership remained nominally with the U.S.-owned company.

Matters are now back to square one. Ferodo's backdoor takeover has been quashed, but equally Lucas has not received permission to absorb Ducellier.

The French Government has been pressing Lucas and Ferodo to reach a compromise. The British group said yesterday that talks were continuing and that it hoped to reach an agreement shortly.

The sticking point in talks so far has been that Ferodo is unprepared to accept the minority stake offered by Lucas. The French group's aim in seeking control of Ducellier was to create a third European group in the electrical components business after Bosch of West Germany and Lucas. Ducellier would be linked in with its own subsidiary, FEV, made up of three formerly independent companies. A strengthened Ducellier would threaten FEV's competitive position.

Ferodo officials described yesterday's judgment as a "blow" to the company's expectations. It had not yet made any move to appeal, although it might be expected to do so.

Last month an appeal court heard a separate case brought by Lucas and ruled that Ferodo should stay out of the effective running of Ducellier's business. But at th same time it raised Ferodo's hopes by declaring that the kind of agreement Ferodo had made with DBA, gaining rights over its shares without actually buying them, was a legal one. The two companies had formed a joint venture in which Ferodo had the overwhelming majority.

Annulment of this agreement greatly strengthens the British company's hand. The French Government, however, is firmly set against any outcome which threatens the position of the FEV consortium, which is 70 per cent controlled by Ferodo with Bosch holding the minority stake.

SHARE STAKES

Crossfriars Trust — Equitable Life Assurance Society and subsidiary hold 500,000 shares.

Forward Technoloby Industries —Following the sale on February 26 by Estate Duties Investment Trust, Industrial and Commercial Finance Corporation is interested in 1,256,000 shares and Estate Duties in 201,666.

C. T. Bowring—P. Bowring has notionally disposed of 119,712 shares as a result of the cessation of any beneficial interest in shares held by Mrs. B. E. Bowring.

George Wills and Sons (Holdings)—Imperial Group advises that ITC Pension Trust jointly with ITC Pension Investments hold 250,000 shares (5.34 per cent).

Hawley Leisure—A. M. Cloggie, director, has bought 55,000 shares and £7,500 12 per cent convertible unsecured loan stock 1986-88.

David Dixon and Son Holdings —Birmingham and Midland Counties Trust now holds 525,000 (28.9 per cent) and National Carbonising Company 2,025,000 ordinary stock (23.95 per cent).

INITIAL SERVICES

INITIAL SERVICES, the towel hire, office cleaning and industrial clothing concern has at last disposed of its two loss making French bathroom furniture subsidiaries.

The group said that it has sold S.A, des Etablissements Fabrique Metalliques and S.A. Societe Industrielle et Commerciale d'Articles Metalliques for a nominal consideration.

The two subsidiaries which distribute and manufacture bathroom furniture and fittings have made successive loses since they were acquired by Initial five years ago. The depressed state of the French building industry and management problems have been blamed for the losses.

Initial said yesterday that trading losses of the two subsidiaries were expected to amount to £900,000 in the year to March 31, 1979. In addition, the group expects to make an extraordinary provision of £1.5m to cover redundancy payments and other closure costs.

Initial's share price rose 11p to 118p yesterday on news that the group had unloaded its loss making French operations.

In the first half of the group's current year the two subsidiaries made combined trading losses of £462,000. Despite this Initial recorded a first half pre-tax profits of £6.3m, a rise of 40 per cent over the same period for the previous year.

The group also announced yesterday that it had contracted to supply workwear to approximately 117,000 mineworkers. Adaptation of processing plants to cope with the extra work was well in hand, said Initial.

Sime Darby counter attacks

Shareholders of Guthrie Corporation, who have been bombarded with letters and documents from their own Board and from Sime Darby Holdings in recent weeks, should receive yet another missile today. This time it is from Tun Tan Siew Sin, chairman of Sime, encouraging them to accept his group's increased and final offer.

The chairman attacks Guthrie's profit record. "The generally accepted measure of growth is not profit before taxation but earnings per ordinary share," he says. And over the past six years, Guthrie's earnings per share had risen "a mere 10 per cent." Sime's earnings per share had doubled in the same period.

Guthrie's profit forecast for 1979 is attacked on the grounds that it is subject to volatile commodity prices. And Tun Tan Siew Sin denies Guthrie's assertion that a takeover would not be in the interests of Guthrie's employees.

"Your Board has once again tried to provoke unwarranted fears amongst Guthrie employees" says Sime's chairman. "We believe that this continued and uusubstantiated campaign is a discredit to your Board. Sime Darby has an excellent record as an employer."

Meanwhile, Guthrie Corporation announced yesterday that one of its subsidiaries, Guthrie International Plantation Services, has been appointed consulting engineers to the Ghana Government to assist in the construction of a £3.5m palm oil mill.

RUSH & TOMPKINS

For a nominal £15,000, Rush and Tompkins Group has acquired 75 per cent of the capital of Alun Griffiths (Contractors), a civil engineering contractor in Abergavenny, Gwent.

This will make available the financial backing of Rush and Tompkins with a view to expanding the operations of Alun Griffiths in Wales.

NO PROBE

The acquisition by Lloyds and Scottish of a substantial minority holding in Lookers is not to be referred to the Monopolies and Mergers Commission.

ELSWICK HOPPER

Elswick Hopper has completed the acquisition of Turner International (Engineering). Mr. A. L. Turner has joined the board.

As a result of the sale of his shares in Turner, he and his family interests are the beneficial owners of 3,674,520 Elswick Hopper shares.

Carrington in strong position

WITH MAINTAINED investment programmes, Carrington Viyella has the strength to limit the extent of the loss of profits which is inevitably incurred under conditions of general domestic industrial unrest, says Mr. L. Regan, the chairman, in his annual statement.

In the light of such adverse factors, Mr. Regan finds it almost impossible to forecast the trading climate in the months ahead.

As reported on February 22, 1978 pre-tax profits of the textile manufacturer were down £1.55m at £14.51m, after a second half rally reduced the midway shortfall of £2.35m.

Adjusting for inflation, the directors estimate there would be a £6.4m increase in depreciation charge, a £6.5m rise in cost of sales and a gearing adjustment of £3.7m credit, giving an adjusted £5.3m pre-tax profit.

Consumer demand in the UK began to pick up during the second half, but was accompanied by a marked increase in the volume of imported yarns and fabrics.

Consequently, the group's consumer products divisions in general showed improvements in profits, while its fabric manufacturing divisions, with the exception of knitting and viyella fabrics, encountered difficult trading conditions.

A divisional analysis of external sales and exports shows: — fabric manufacture £122.2m (£125.2m) and £20.9m (£18.4m), household textiles £65.5m (£61.6m) and £13.4m (£13.9m), garments £82.8m (£71.3m) and £6.7m (£6.6m), and miscellaneous £1m (£0.8m) and nil (same). Overseas turnover amounted to £51.2m (£45.4m).

The group's South African company produced excellent results, the chairman states, but Italian operations were extremely disappointing.

Largely as a result of delayed benefits arising from import restraints, the Canadian textile trading climate improved in the last quarter and profits there increased accordingly.

Although exports from the UK rose to £41m (£38.9m), no more than a maintained volume is indicated. It is the directors' policy that exports should be profitable and properly directed with emphasis on trade with the EEC—within the overall 5.4 per cent increase, exports to the EEC rose by 14 per cent.

The spread of exports was:— Europe £27.2m (£26.5m), North America £2.7m (£2.8m), Middle and Far East £6m (£4.5m), Australasia £2.6m (£1.9m), and others £2.5m (£3.2m). The divisions which showed substantial increases were knitting and viyella fabrics.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Brooke Bond Liebig, Ductile Steels.

Finals — Anglo-American Industrial, Anglo-American Investment Trust, J. Bibby, East Lancashire Paper, Fairclough Construction, S. W. Farmer, Johnson Group Cleaners, Kleinwort Benson Lonsdale, Lambert Howarth, Trade Indemnity, United Biscuits.

FUTURE DATES

Interims—	
Adwest	Apr. 11
Barratt Developments	Mar. 19
Beckman (A.)	Mar. 28
Bejam	Mar. 21
Bell (Arthur)	Mar. 21
Blackwood Morton	Mar. 15
Courtney Pope	Mar. 15
Dawnay Day	Mar. 21
Ferry Pickering	Apr. 11
Johnson and Firth Brown	Mar. 16
Maynards	Mar. 21
Medminster	Mar. 19
Scottish Metropolitan Property	Apr. 2
Wombwell Foundry and Engg.	†Mar. 29
Finals—	
Bruntons (Musselburgh)	Mar. 29
Clay (Richard)	Mar. 21
Cosalt	Apr. 17
Federated Land and Building	Mar. 26
Hall Engineering	Mar. 16
Menzies (John)	Apr. 24
Savoy Hotel	Apr. 3
Spear and Jackson Internatl.	May 1
Wilkes (James)	Mar. 15
Yorkshire Chemicals	Mar. 21

† Amended.

Gulf denies Lonrho takeover bid

Gulf Fisheries, the Arab shareholder of Lonrho which is seeking boardroom representation, yesterday denied any intention of bidding for Lonrho.

Over the weekend a newspaper had quoted Mr. "Tiny" Rowland, chief executive of Lonrho, saying he believed Gulf wanted to get control of Lonrho. Shares of Lonrho jumped 8p to 76p yesterday in response.

"This is not a disguised attempt to lead up to a takeover," said a spokesman for Gulf Fisheries. No other course was intended than the one which had been embarked upon, namely the election of two nominees to the Board. The purpose of this was to get a better knowledge of the way the business was run and to have some influence over it.

Lonrho stated yesterday that there probably would not be a shareholders' meeting at which the poll would be held. The poll would almost certainly be done entirely by post. An indication on the timing was not yet available.

NORTH AMERICAN NEWS

Sears rebounds with higher profits

BY JOHN WYLES IN NEW YORK

SEARS ROEBUCK, the world's largest retailer, achieved its much sought after profits rebound in the fourth quarter with a 31 per cent increase in net earnings.

A significant reduction in promotional price-cutting has been one of the major features of the company's reorganisation programme introduced last year. Its apparent success in the fourth quarter must be seen, however, in the context of extremely weak earnings in thhe fourth quarter last year.

Sears earnings per share in the most recent quarter were, in fact, only three cents higher than in the fourth quarter of 1976.

Net income for the three months ending January 31 was $329.87m compared with $251.79m or $1.02 per share compared with 78 cents, for the previous fourth quarter.

The company's significant increase in gross profit margin was reflected by a small drop in sales from $4.99bn to $4.93bn.

For the year, net income climed 9.9 per cent from $837.98m or $2.62 per share to $921.5m or $2.86 per share. Sales rose 4.1 per cent from $17.2bn to $17.9bn.

Mr. Edward Telling, who took over as chairman and chief executive in January, 1978, disclosed that the Allstate group of insurance companies contributed $113.8m in the fourth quarter compared with $110.3m and $465.6m in the full year compared with $417m. Income from other companies increased in the quarter from $28.8m to $47.2m and in the year from $57m to $100.7m.

In the coming year, analysts are projecting Sears earnings in the $3 to $3.10 range. Sales are expected to approach $19bn and gross profit margins to improve by about one per cent. Despite a significant fall in full year pre-tax underwriting results, Allstate's earnings are expected to be about the same because of the strength of its investment income, life insurance and financial services.

National Airlines rejects TXIA bid terms

BY OUR NEW YORK STAFF

NATIONAL AIRLINES indicated at the weekend that it would try to exclude Texas International Airlines (TXIA) from the bidding battle to acquire control of the Miami-based carrier.

In a letter to TXIA, Mr. L. B. Maytag, the president of National, rejected a bid of "at least" $50 a share which had been submitted by the small regional airline.

Mr. Maytag argued that TXIA's offer, comprising cash, common stock and debt securities, probably would not be worth $50 a share once the two airlines had merged.

National's financial advisor, Morgan Stanley and Co., had concluded that if the merger were to take place, the new company stock would trade at "a very substantial discount from TXIA's current stock price."

Standard Indiana confirms talks with Cyprus Mines

BY DAVID LASCELLES IN NEW YORK

STANDARD INDIANA, which has been interested for some time in diversifying into the metals industry, confirmed yesterday it had met executives from Cyprus Mines, but refused any further comment.

The news follows the failure last autumn of Standard's plan to buy Kennecott Copper, the country's largest copper producer.

Cyprus Mines, a Los Angeles-based mine processor and marketer of copper and other ores, said on Friday that it had exchanged information and had held preliminary discussions with Standard with a view to a possible merger. Talks were also going on with other possible purchasers; it said, but they were not as advanced.

Cyprus Mines has annual sales of about $300m, and profits have benefited from the recent sharp rise in copper prices. The company has 10.5m

WALT DISNEY PRODUCTIONS

Playing Pied Piper to adults

BY MAURICE IRVINE

RIDING a wave of record revenues, and with some $300m sitting in the company till, Walt Disney Productions is looking for new worlds to conquer. But one theme is common to all the multi-million dollar ventures started or announced in recent months: a broadening of the Disney empire's appeal to bring more adults and teenagers into its orbit.

The changing corporate strategy is evident in Disney's upcoming films, its theme park developments, its projects for ski resorts and above all in that long-awaited permanent world's fair known as Epcot—the Experimental Prototype Community of Tomorrow.

"We want to draw adults without children," says Disney research director Mr. Frank Stanek, "as well as the family units which now visit our parks and watch our films."

The reason is simple: Disney is operating in a shrinking market. Most of its products appeal to the five-to-eight year-old child, now in decline in today's America.

With Americans having fewer and fewer babies, Disney is also casting its net overseas and, for the first time, diversifying in areas outside the entertainment industry. The company is, among much else, planning a Tokyo Disneyland in partnership with Japanese firms, to open in 1982, and bidding to build a "people-mover" at Houston Airport.

Disney's child-orientated market is shrinking and new attractions are aimed at luring adults as well as the usual family audience.

At Disney's Burbank film studios, work is well advanced on the most expensive ($17m) and elaborate movie the company has ever made, a space adventure called *The Black Hole*. This live-action thriller is a calculated attempt to win the 15-30 age group which rallied to *Star Wars* and which, admits Mr. Ronald Miller, the studio's creative chief, "tunes us out." Hitherto, all Disney films have been G-rated (general audiences); but *Black Hole*, for its scenes of space mayhem, is expected to earn the company's first "PG" (for parental guidance suggested).

Other Disney film projects follow the trend towards sophistication and "big-name" stars and directors.

Recently, the movie division's performance has been disappointing. Foreign film rentals rose last year by 58 per cent, but remained stagnant in the U.S., peaking at around $14-15m.

But only a third of Disney's income (earnings of $82m on sales of $629.8m last year) is derived from films. The rest comes from recreational interests, above all California's Disneyland and Florida's Disney World, a $700m investment which has attracted 90m people in its seven years of life.

Disney's efforts to build a ski-resort in California have so far been thwarted by environmentalists, but the long-planned Tokyo park received the green light in January when Disney reached final agreement with Mitsui Company, which will build the replica of Disneyland for $305m on landfill in Tokyo Bay.

Disney will design the park and guide it through early operations, but take only a 10 per cent equity interest in the project. At least 14m visitors are expected in the first year, and Disney's share of royalties could be around $20m.

Talks on NY futures likely to be broken off

NEW YORK — Talks between the New York Stock Exchange and the Commodities Exhaecnge about a joint venture to trade financial futures are expected to come to a formal end in the next few days, industry sources indicate.

The expected breakoff is aparently being precipitated by the Big Board and reflects a decision by the Exchange to enter the financial futures markets independently.

Similarly, talks between the Big Board and the American Stock Exchange's commodities trading subsidiary—Amex Commodities Exchange—are not likely to advance beyond their current preliminary stage.

Volume in financial futures, a recent addition to the scene, has grown rapidly and is expected to continue as a lucrative growth area.

Since last November, the Big Board and the Commodities Exchange, or Comex, the largest of New York City's six commodities markets, have been discussing the possibility of forming a joint venture as a means by which the Big Board would enter the futures field.

However, interest at the Big Board in such a joint project has waned, reflecting a belief that the Exchange, for the near future at least, is powerful enough to go it alone. Its chief competitor would be the Chicago Board of Trade, which last year accounted for 47 per cent of the volume on the nation's 11 commodities exchanges.

The precise method by which the Big Board would force an end to the Comex talks is ironic. The Big Board last week unofficially told certain members of the Comex negotiating team that, rather than participating in a joint venture, the Big Board would be interested only in an outright acquisition of Comex or a formal merger of the two Boards, which would amount to a de facto acquisition by the Big Board.

The irony lies in the fact that when the two sides first began discussions last October, they talked about just such possibilities. In November, the talks evolved into the joint venture question, where both sides would retain their independence, precisely because the Comex did not want to be swallowed by the larger Big Board.

AP-DJ

Heinz slows in fourth quarter

PITTSBURGH — H. J. Heinz said 1979 fourth quarter results may not match the growth rate of the third quarter and nine months, although 1979 year results should exceed 1978 levels.

Earnings for the fiscal third-quarter rose by 18.8 per cent to $1.01 a share, while nine months net income was $3.15 a share, a 17.5 per cent gain from 1978.

In fiscal 1978, Heinz earned $4.25 a share on sales of $2.15bn.

The 1979 third quarter included a pre-tax provision of $5.8m for the closing and relocation of certain foreign and domestic manufacturing operations.

Reuter

Seagram ahead

Seagram, the world's largest distilling group, pushed earnings ahead by 54.6 per cent to $18.4m, or from 34 cents to 52 cents a share for the second quarter writes our Financial Staff. Sales at $691.3m showed a 13.2 per cent gain.

EUROBONDS

U.S. monetary restraint hint moves prices down

BY FRANCIS GHILES

THE CONVICTION, which is fast spreading in the Eurobond markets, that the U.S. Federal Reserve Board is moving in the direction of further monetary restraint, brought secondary market prices of seasoned and recent issues down a shade yesterday. The announcement in the afternoon that First National Bank of Chicago was increasing its prime rate by a ¼ of a point to 11¾ per cent simply confirmed many bankers' forebodings.

Trading volume was much less yesterday than last Friday with buyers having all but disappeared.

In the Floating Rate Note sector the Banco de la Nacion $50m FRN, in its first day of trading, was quoted by the lead manager Salomon Brothers at 98¼. Elsewhere it was being quoted at 97¾-98¼. Prices in this sector were basically unchanged and trading thin.

The sterling sector was quiet but prices came off, by half a point in some cases, towards the end of the day.

The Australian government has now completed its fund raising operation in the Swiss capital markets: it is arranging a SwFr 250m ten year bond through Swiss Bank Corporation. The bond carries a coupon of 3¾ per cent and a price of 99¼, identical terms to those of the recent SwFr 300m for Canada. The total financial package for Australia also includes a SwFr 250m private placement and a SwFr 250m loan.

The KD 12m issue for Korea Development Bank has been priced at 99¼ to yield 7.91 per cent by the lead managers, National Bank of Kuwait and Merrill Lynch International. The average life of the issue is 6.9 years.

In a further move to diversify its fund sources the bank is going through the registration procedures with the U.S. Securities and Exchange Commission before making its first approach to the U.S. market.

An important meeting will take place at the French Treasury tomorrow between leading French banks and senior Treasury officials who monitor the Eurofranc bond market; the meeting is seen as more than routine and an occasion to compare notes on the performance of this sector of the market since it was reopened six months ago. Some French bankers would like to see a calendar of new issues agreed to, bringing the French system closer to what it was two years ago. This they hope would lessen the Treasury's grip on the market and give the banks more freedom of manoeuvre.

MEDIUM-TERM CREDITS

Comecon seeks Japanese finance

BY ANTHONY ROBINSON

INTERNATIONAL Investment Bank, the Moscow-based bank for the financing of joint Comecon projects is believed to be negotiating a $130m syndicated loan from a group of Japanese banks to help finance Eastern Europe's rising hard currency oil import requirements.

The Soviet Union, which supplies all Comecon countries except Romania, with the bulk of their oil and gas imports, has indicated its reluctance to raise its shipments, currently around 70m tons annually, to satisfy rising Comecon demand.

In view of this, new oil terminals have been built in Rostok in the GDR and in Poland. A new pipeline connecting the Yugoslav port of Rijeka with Hungary and Czechoslovakia has also been built to facilitate OPEC oil imports.

The latest rise in OPEC prices, particularly on the spot market, has increased the present and future cost of such imports, however, while this year's hard winter has also raised requirements and reportedly led to difficulties in Soviet oil and gas shipments.

However, the decision to use the IIB as the vehicle for a joint borrowing operation is a highly significant development. Up to now it has financed joint investment projects, of which the most important in the energy field is the 2,650-km-long Orenburg gas pipeline which came on stream earlier this year. The funds raised by the IIB on western capital markets were used to finance the import by individual Comecon countries of the western plant needed to complete their shares of the pipeline.

Banking sources in Tokyo and London indicate that the borrowing now under negotiation will be used not for energy investments but to finance hard currency oil imports. Several individual countries like Poland and Hungary have already raised smaller loans for this purpose from Arab commercial banks. But the individual indebtedness of Poland and several other Comecon countries is now at a very high level in relation to hard currency earnings and future export prospects.

The IIB, on the other hand, has not been very active in the market recently. Borrowing by Comecon institutions, the IIB and IBEC, amounted to only $500m last year compared with $1.1bn in 1977. What is more, borrowing by the Comecon institutions is seen as having the backing of the Soviet Union's own vast economy and oil, gas and mineral reserves behind it.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on March 12

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aga Akt. 9¾ 88	25	94⅛	94⅜	−0⅛	+0⅛	10.18
Bayer Int. F. XW 7¾ 89	200	83⅝	84⅛	−0⅛	−0⅛	9.87
CECA 9¾ 84-99	50	95⅞	96⅛	0	+0⅛	9.80
Canada 9 83	400	98	98½	−0⅛	+0⅛	9.70
Canada 9¼ 98	350	96¼	96¾	−0⅛	+0⅛	9.88
Canadair 8½ 83	70	95⅝	95⅞	+0⅛	+0⅛	9.86
Dominion Bridge 9 86	25	93⅝	94⅛	−0⅛	+0⅛	10.22
Dow Chem. O/S 9¾ 94	200	97	97½	0	+1	9.98
EIB 9⅞ 98	125	93⅞	94⅜	−0⅛	+0½	10.04
Export Dv. Cpn. 9.85 84	150	100½	101	0	+0⅛	9.88
Export Dv. Cpn. 9¼ 84	100	97¼	97¾	−0⅛	+0⅛	9.91
Eksportfinans 9 86	50	96	96½	+0⅛	+0⅛	9.71
Finland 8¾ 83	100	96¼	96¾	−0⅛	+0⅛	10.01
Finland 9 88	100	95¼	95¾	+0⅛	+1	9.88
Finland 9½ 86	100	98⅜	98⅞	—	—	9.78
GTE Fin. 9½ 84	50	97⅞	98⅜	−0⅛	+0½	9.99
Gould Int. Fin. 9⅜ 85	50	99⅜	99⅞	0	+0½	9.83
Hospital O/S 9 83	25	96½	97¼	−0⅛	+0⅛	9.83
Hudson Bay Co. 10 94	50	100¼	100¾	+0¼	+0⅛	9.93
Itel Finance 9¾ 90	30	94½	95	0	+0½	10.54
J. C. Penney 8½ 83	100	96⅜	96⅞	−0⅛	+0⅛	9.67
Manitoba 9½ 89	75	96¾	97¼	0	+0½	9.99
Nat. West. 9 86	75	96⅜	96⅞	−0⅛	+0¼	9.65
New Brunswick 9¾ 94	75	97¾	98¼	0	+0⅞	10.01
Newfoundland 9¼ 90	50	95⅝	96⅛	0	+0⅛	9.84
Newfoundland 10 94	50	98½	99	—	—	10.17
Nord Inv. Bk. 8¾ 88	25	94⅞	95⅛	+0⅛	+0⅛	9.61
Norsk Hydro 9¾ 94	50	95	95½	+0⅛	+0⅛	9.87
Norway 7⅞ 83	250	93¼	93¾	+0⅛	+0½	9.85
Norway 8¾ 83	150	†96¾	97¼	−0⅛	+0⅛	9.84
Norway 9¾ 84	150	100¼	100¾	−0⅛	+0½	9.84
Ont. Hydro 8½ 85	125	94⅛	94⅝	+0⅛	+0⅛	9.73
Portland 10 84	50	96¾	97¼	0	+0⅛	10.81
Quebec Hydro 9½ 93	50	96⅝	97⅛	+0⅛	+0⅛	9.89
Redland Fin. XW 9½ 91	25	91½	92	+0½	+0⅛	10.75
Sears Roebuck 9 82	150	98	98½	0	+0⅛	9.70
UK 8½ 85	200	95½	96	−0⅛	+0⅛	9.65
UK 8⅞ 93	150	94⅝	95⅛	+0⅛	+1⅛	9.75

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 6½ 87	70	96⅞	97⅛	−0⅛	−0⅛	6.03
Argentina 6½ 88	150	94⅞	95⅜	−0⅛	−0⅛	7.27
Australia 6 88	250	99½	100	−0⅛	−0⅛	6.03
Austria 5¾ 90	150	92⅝	93⅛	0	+0⅛	6.64
Banco Desarrollo 7¼ 86	100	98⅛	98⅝	—	—	7.56
Bankamerica 5¾ 90	150	†97⅞	98⅜	+0⅛	−0⅛	5.97
Bq. Ext. Algerie 7¼ 85	100	96⅞	97⅛	0	0	7.66
Brazil 7¼ 87	150	100⅛	100⅝	0	−0⅛	7.18
CECA 6 88	150	96⅝	97⅛	0	+0⅛	6.44
Ch. Manhttn. O/S 6 93	100	99⅛	99⅝	0	0	6.06
Commerzbank XW 3½	100	†80⅞	81⅜	−0⅛	−0⅛	6.21
Copenhagen City 6 90	75	91⅞	92⅜	+0⅛	+0½	6.99
Council of Europe 6¼	130	96⅜	96⅞	0	−0⅛	6.73
Denmark 5¾ 85	100	96½	97	−0⅛	+0⅛	6.43
Denmark 6½ 89	100	96¾	97¼	+0⅛	+0⅛	6.93
EIB 6 90	300	93⅝	94⅛	−0⅛	+0⅛	6.78
EIB 6½ 91	200	97	97½	+0⅛	0	6.84
Eletrobras-Brazil 7 87	100	97⅛	97⅝	0	−0⅛	7.45
Eurofima 6½ 89	100	100⅛	100⅝	+0⅛	−0⅛	6.44
Finland 6 83	150	99⅜	99⅞	−0⅛	−0⅛	6.12
Hitachi Ship. 5¾ 83	50	98½	99	0	−0⅛	6.08
Indonesia 7 84	100	98⅛	98⅝	0	0	7.35
Kobe, City of 5¾ 86	100	99⅜	99⅞	0	+1	5.83
Megal Fin. 7 89	150	†98¼	98¾	—	—	7.23
Mitsubishi Petro. 5¾ 85	100	98⅛	98⅝	0	−0⅛	6.03
New Zealand 6¼ 87	200	99½	100	0	−0⅛	6.27
Nippon Steel 5¾ 85	100	97⅞	98⅜	0	+0⅛	6.08
Nippon Tel. & T. 5¾ 87	100	95⅞	96⅜	0	−0⅛	6.13
Nordic Inv. Bk. 6¼ 86	60	98	98½	+0⅛	−0⅛	6.57
Norges Komm. 6 90	100	95½	96	−0⅛	−0⅛	6.55
Norges Komm. 6¼ 89	150	97⅞	98⅜	0	−0⅛	6.55
Occidental 6¾ 90	150	96⅞	97⅜	+0⅛	+0⅛	7.15
OKB 6½ 88	100	100	100½	0	+0⅛	6.44
OKB 6 87	40	97⅜	98⅛	−0⅛	−0½	6.37
Petroleo Brazil 7 88	100	97⅝	98⅛	+0⅛	+0⅛	7.31
Ricoh 5¾ 83	30	98	99⅛	−0⅛	+0⅛	5.67
Statoil 6 88	150	96⅛	96⅝	+0⅛	0	6.50
Statoil 6½ 89	150	†97¾	98	−2⅛	−0⅛	6.80
UDS Group 5¾ 83	65	96⅞	97⅛	+0⅛	+0⅛	6.60
Union Bank Finn 6½ 88	50	95	95½	0	+0⅛	7.19
Venezuela 6¾ 90	150	93⅛	93½	+0⅛	+0⅛	7.39
World Bank 6½ 88	400	†97⅛	97⅝	−0⅛	−0⅛	6.62

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¼ 88	40	†102⅛	102½	−0⅞	−2⅛	4.92
Amer. Exp. Int. 3½ 93	40	96	96½	−0⅛	−1⅛	3.67
Asian Dev. Bank 3½ 94	100	†98	98¼	+7⅛	−7⅛	3.66
Austria 3½ 93	100	89½	90	−5⅛	−6⅛	4.45
Brazil 4⅞	100	93	93½	−1⅛	−6⅛	5.15
Chase Manhattan 4 93	70	99	99¼	−2⅛	−3⅛	4.08
Council of Europe 4¼	100	†100	100½	−1⅛	−1⅛	4.22
Bankamerica 3¾ 93	90	101	101½	+0⅛	+0⅞	3.84
BNDE 5 88	75	†102½	103	0	+1⅛	4.63
Denmark 4½ 90	100	†101⅞	102⅛	−1⅛	−1⅛	4.27
EIB 4⅛ 93	100	102½	103	+0⅛	+2	3.99
Euratom 4¼ 93	80	100½	101	+0⅛	+0⅛	4.18
F. L. Smidth 4½ 89	25	102½	102⅞	−0⅛	−0⅛	4.18
Finland 4½ 93	80	101	101½	0	0	4.38
GZB 4½ 93	100	†102	102½	0	+1	4.29
Haron 4¼ 89	35	99½	100	−0½	+0⅛	4.27
ICI Fin. NV 3½ 94	230	†93	93½	−0⅛	−0⅛	4.11
Malaysia 4¾ 90	80	†98	98½	−0⅛	−0⅞	4.95
New Zealand 3½ 94	120	*†95½	96⅛	−0⅛	−1⅛	3.89
Norges Komm. 4¾ 90	100	†102	102½	−1⅛	−1⅛	4.00
Oy Nokia 5 90	20	†101½	102	−0⅛	−1⅛	4.79
Sandvik 4 90	85	†99⅜	100	−0⅛	0	4.01
Sees 4½ 88	15	†101½	102	+0⅛	−0⅞	4.26
Voest-Alpine 4½ 93	100	†102	102½	−0⅛	−1½	4.30
Vienna 4 93	100	99½	100	−0½	−0⅛	4.02
World Bank 4¼ 93	250	†99⅜	100	−0½	−0⅛	4.26

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5¾ 88	15	87⅞	88⅜	+0⅛	+1	7.54
Australia 5.6 83	30	96⅞	97⅜	−0⅛	−1⅛	6.47
Australia 6½ 88	20	93⅞	94⅛	−0⅛	+0½	7.57
BFCE 6.4 90	30	91⅞	92⅜	0	+0⅛	7.65
Finland 5.6 83	10	96¾	96⅞	+0⅛	−1⅛	6.76
Finland 6.8 88	10	93½	94½	0	−1½	7.82

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Rank O/S Hold. 11½ A$	12	94⅛	95⅛	+0⅛	+0⅛	12.82
Auto Cote B. 7 93 EUA	16	92	93⅛	+0⅛	+0⅛	7.87
Komm. Inst. 7½ 93 EUA	15	97½	98¼	+0⅛	0	7.71
Panama 8¼ 83 EUA	20	94½	96	+0⅛	+0⅛	8.82
SDR France 7 93 EUA	22	92⅛	93⅛	−0⅛	0	7.84
Algemene Bk. 6¾ 83 Fl	76	94½	95⅛	+0⅛	0	7.72
CFE Mexico 7¼ 83 Fl	75	98⅛	98⅝	−0⅛	+0⅛	8.16
EIB 7¼ 85 Fl	75	94⅝	95⅛	0	0	8.25
New Zealand 6¾ 84 Fl	75	94½	95⅛	−0⅛	−0⅛	7.96
Norway 8¼ 84 Fl	100	100⅛	100⅝	—	—	8.12
Elf Aquitaine 9¾ 88 FFr	150	98⅞	99⅜	0	+0⅛	[illegible]
EIB 9¾ 88 FFr	200	99	99½	−0⅛	0	[illegible]
Norway 9¾ 84 FFr	200	99½	99⅞	−0⅛	−0⅛	[illegible]
PSA Peugeot 9¾ 87 FFr	175	99⅛	99⅝	0	0	[illegible]
Unilever 10 85 FFr	100	101½	101⅞	0	−0⅛	[illegible]
CECA 9¾ 89 £	20	88	88⅞	+0⅛	−1½	[illegible]
Citicorp 10 93 £	20	87	87⅞	−0⅛	+0⅛	[illegible]
EIB 9¾ 88 £	25	89⅞	90⅛	−0⅛	+1⅛	[illegible]
Finance for Ind. 13 91 £	15	101½	102½	—	—	[illegible]
Fisons 10¾ 87 £	10	90⅞	91⅛	−0⅛	+1	[illegible]
BAT 8 88 LuxFr	250	96⅞	97⅞	0	0	[illegible]
Bayer Lux. 8 86 LuxFr	250	97⅜	98½	0	−0⅛	[illegible]
EIB 7¾ 88 LuxFr	250	96⅜	97⅜	0	0	[illegible]
Finland I. F. 8 88 LuxFr	250	97¼	98⅛	0	0	[illegible]
Norway 7¾ 83 LuxFr	250	97⅜	98⅜	0	0	[illegible]
Norges Km. 8 88 LuxFr	500	98⅞	99⅞	0	+0½	[illegible]
Renault 7¾ 88 LuxFr	500	96⅞	97⅞	+0⅛	+0⅛	[illegible]
Solvay Fin. 8 85 LuxFr	500	100⅛	101⅛	+0⅛	0	[illegible]
Swedish Bk. 8 88 LuxFr	500	98⅞	99⅞	+0⅛	+0⅛	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bank M6.5 83	0¼	95⅞	96⅜	31/7	11.44	[illegible]
BFG Fin. Co. M5.5 89	0¼	98⅛	98⅝	12/7	12.4	[illegible]
Bco. El Salvador M8 83	1¼	97⅝	98⅛	12/4	11.31	[illegible]
Bco. Nac. Argnt. M8 83	0¾	99½	100	21/7	12⅛	[illegible]
Banco Urquijo 6 86	0¼	97⅝	98⅛	21/3	—	[illegible]
Bank of Tokyo M5½ 93	0¼	97⅜	97⅞	18/4	10½	[illegible]
Banque Worms M5¾ 85	0¼	98⅛	98⅝	15/6	12	[illegible]
Bq. E. d'Alg. M8.375 84	0¾	96½	97	9/8	11⅞	[illegible]
Bq. Ext. d'Alg. M7.5 85	0¾	96⅛	96⅝	2/6	12⅝	[illegible]
Bq. Indo et Suez M5½	0¼	99	99½	26/7	12	[illegible]
Bq. I. Af. Occ. M6.5 83	0¾	97⅝	98⅛	12/7	12.4	[illegible]
BNP 5½ 91	0¼	97⅞	98⅛	22/2	11½	[illegible]
CCCE M5.25 98	0¼	97½	98	3/8	11⅞	[illegible]
Ch. Man. O/S M5¾ 93	0¼	97⅝	98⅛	27/7	11.73	[illegible]
Credit National M5¾ 88	0¼	98⅜	98⅞	11/7	12.31	[illegible]
Gotabanken M6 88	0¼	98⅜	98⅞	15/5	12.31	[illegible]
Ind. Bk. Japan M5½ 85	0¼	99⅝	100⅛	1/6	12.35	[illegible]
Ljubljanska M7.75 85	1	96⅝	97⅛	18/7	12.94	[illegible]
LTCB Japan M5¼ 85	0¼	99⅛	99⅝	9/5	12.06	[illegible]
Midland Intl. M5½ 93	0¼	98½	99	20/7	12⅛	[illegible]
Nat. West. M5½ 90	0¼	98⅞	99⅜	21/6	12½	[illegible]
Nipo. Crdt. Bk. M5.5 85	0¼	99⅞	100⅜	22/6	12.81	[illegible]
OKB M5¾ 88	0¼	100⅛	100⅝	18/4	10.56	[illegible]
Offshore Mining 86	0¼	98⅛	99⅛	19/7	12.19	[illegible]
Petro Mexicano 7¾ 84	0¼	98⅞	99⅜	24/7	12.06	[illegible]
Privredna Banka M8 86	0⅞	†96⅞	98⅜	22/6	13.44	[illegible]
Standard Chrt. M5.5 90	0¼	97⅜	97⅞	10/8	11.56	[illegible]
Sundsvallsbnkn. M6 85	0¼	97¼	97¾	4/4	10.06	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	628	91	91½	−0⅛	9
Baker Int. Fin. 5½ 93	1/79	34	107	108	0	6.
Boots 6¾ 93	2/79	2.16	104⅛	105½	+3⅛	−5.
Ciba-Geigy O/S F. 4 94	9/79	675	93⅞	94⅜	—	−13
Coca-Cola Bottling 6¾	4/79	9	85	86	−0½	20
Honda Motor 5½ 89	5/79	532	92½	93½	−0½	5.
Ito-Yokado 5¾ 93	6/78	1339	117¼	118½	−0⅛	0.
Novo Industri 7 89	4/79	259	90	90⅞	−1½	10
Texas Int. Air. 7½ 93	4/79	14.5	91⅞	92⅞	+1⅛	7.
Thorn Int. Fin. 7 88	11/78	3.67	113	113⅞	−0⅛	−1.
Tyco Int. Fin. 8½ 88	9/78	21	101⅞	102⅞	−0⅛	11.
Asahi Optical 3½ DM	12/78	588	96	97	−0⅛	−0.
Casio Co. 3½ 85 DM	11/78	841	96½	96⅞	+1⅛	9
Izumiya 3¾ 86 DM	10/78	969	88⅞	89⅞	+0⅛	12.
Jusco 3½ 86 DM	1/79	1154	88⅞	89⅞	−0⅛	21.
Kansai Elec. 4 84 DM	4/79	1350	92⅝	93⅛	+0⅛	12.
Konishiroku 3½ 85 DM	1/79	612	91	92	+0½	10.
Marudai Food 3½ DM	2/79	1033	88⅞	89⅞	+0¼	26
Murata M. 3½ 86 DM	11/78	864	98½	100	−0⅛	−1
Nipp. Air. 3.5 88 DM	12/78	508	86⅞	87⅞	−0⅛	2.
Nippon Shinpan 3¾ DM	8/78	738	96⅝	97⅛	+0⅛	0.
Nippon Ysn. 3½ 86 DM	1/79	251	93⅜	94⅛	+0⅛	7.
Nissan Diesl. 3½ 86 DM	2/79	477	89⅞	90⅞	+0⅛	10.
Olymp. Opt. 3½ 85 DM	2/79	703	100⅞	101⅞	+0¼	−1.
Ricoh 3½ 86 DM	10/78	617	92⅝	93⅛	0	13.
Sanyo Electric 3½ DM	11/78	295	89⅞	90⅞	+0⅛	0.
Sharp Co. 3½ 88 DM	2/79	487	93⅜	94⅜	+0⅛	1.
Stanley Elec. 3½ DM	11/78	623	89	90	+0⅛	21.
Tokyo Elec. 3½ 87 DM	4/79	478	90⅞	91⅞	+0⅛	5.
Tokyu Ld. Co. 4 86 DM	4/78	493	91⅞	92⅝	+0⅛	12.
Trio-Knwd. 3½ 86 DM	11/78	711	87	88	−0½	26.

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=Minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

هكذا من الأصل

Charles Batchelor, in Amsterdam, explains why OGEM dropped its plans to acquire Nederhorst

Shifting from conventional construction

HE DECISION by OGEM, the utch trading and construction oup, to reverse its plans for e acquisition of the Nederrst building company is a rect result of a fundamental ift in group policy, according a confidential memorandum afted by OGEM in January.

News of OGEM's decision to t its ties with Nederhorst ter three years of preparing r a merger came as a surprise building industry observers Holland, and has produced despread criticism of OGEM parliament, in the Press and nong the Dutch trade unions. wever, an OGEM internal licy document—details of ich have now been released the FNV building industry ion—helps explain company nking behind the decision.

In recent years OGEM has ilt up its commitment to large eign contracts involving high ks and substantial levels of w capital. In future, the comy plans to concentrate on the ancing and management of jor contracts while at the same time limiting its own direct involvement in actual construction work.

According to the policy document, OGEM plans to form an in-house insurance company which would, apart from providing cover for the company's risks, take part in bonding syndicates set up to provide the various types of bond increasingly required for contractors abroad. OGEM also plans to take a minority holding in a merchant bank which would take a risk-bearing share in the company's contracts.

Experienced

The insurance company would be form fairly shortly. It would be based outside Holland and is apparently to be managed by the UK insurance broking company, Sedwick Forbes. Much of OGEM's own insurance would be placed with the new venture. Initially it would not insure third parties.

The growing need to provide bid, performance and advance payment bonds on contracts has prompted OGEM to move into this area too, the document says. Once again the company will first gain experience by providing bonds for its own contracts but it will later consider offering its services to other companies. It is discussing with Arab business contacts the possibility of Middle East institutions providing financial backing.

The plan at present is that OGEM should try and mobilise Arab capital to back its plan to take a monrity shareholdings in a merchant bank, which would share in the business risks of contracts. OGEM would expect to have a say in the decision making of the bank and it has already made contact with what it describes as a "foremost UK bank" which is ready to take over the management of this undertaking. These plans are expected to crystallise by mid-1979.

Sudden changes in direction are nothing new to OGEM. It was primarily an electricity utility until the 1950s—the initials OGEM stand for Overseas Gas and Electricity company—and its main areas of operation were the Dutch East Indies, now Indonesia, Surinam, the Netherlands Antilles and some South American countries.

When the Dutch connections with Indonesia were severed, OGEM expanded its electricty activities elsewhere and developed new interests in trading, engineering and metals processing and installation. One of the few companies to successfully adjust to a post-colonial era, it moved into construction in the 1970s.

In 1977, the last year for which detailed figures are available, trading accounted for Fl 2bn ($1bn) of its Fl 3.5bn turnover. The engineering and installation division booked turnover of Fl 925m, construction Fl 492m and energy only Fl 64m.

The takeover of the building division of Nederhorst, a group which also comprised engineering and steel construction divisions, before financial difficulties forced the break-up of the company, would have been one of the largest in a long line of acquisitins for OGEM.

Nederhorst expanded rapidly in the early 1970s but by 1975 its had to call on Government aid. At that time OGEM took over the management of its building division, with turnover now of around Fl 934m, although it has never consolidated Nederhorst's results.

Consolidate

Under an agreement reached with the Economics Ministry in November 1975, OGEM could either consolidate the company within three years or pull out of the deal. All the signs until recently, were that OGEM would go ahead with the takeover.

The problems at Nederhorst—centring on losses and a legal dispute in Germany—were outlined to parliament earlier this month.

Despite a guarantee by the state to put up Fl 50m to counter-balance Nederhorst's negative capital position, OGEM pulled out of the deal when it received Nederhorst's third quarter 1978 figures and forecast for 1979. Estimated losses for 1978 were raised to Fl 47m from Fl 30m. Moreover, prospects for 1979 were so poor that the planned injection of another Fl 50m capital would probably have been wiped out.

The Dutch Government has now agreed to provide Fl 200m to enable Nederhorst to complete existing orders while it looks for a purchaser for the company.

OGEM has been accused of exploiting Nederhorst's know-how and contacts during the three-year trial link and of then casting it aside. The Economics Minister has promised an investigation into the affair. At OGEM the decision to drop Nederhorst has produced a split in the top management, with the managing director of the building division, Dr. F. Sonneveld, being suspended by the group Board, after a difference of opinion.

Sandvik raises dividend despite lower earnings

BY WILLAM DULLFORCE IN STOCKHOLM

NDVIK, the Swedish iented carbide and steel up, proposes to raise its idend by SKr 0.75 to SKr 6.50 hare after reporting almost hanged earnings for 1978. the same time the Board ounces changes in the top nagement connected with the er ties Sandvik has forged the Fagersta special steels pany over the last few iths.

he provisional 1978 figures ased yesterday showed that dvik was only marginally off rofit and sales targets. Pre- income came out at 468m ($107.5m), slipping SKr 3m from 1977, while s grew by 20 per cent to 5.4bn ($1.24bn). Some 10 cent of the sales increase ved from price increases.

veral factors combined to down the 1978 pre-tax re- It has been charged with gative currency translation rence of SKr 35m compared a positive translation difice of SKr 37m in 1977. The ious year's result included vernment stock subsidy of SKr 44m, which was not repeated in 1978. Finally, the 1978 figure includes SKr 60m in stock appreciation against SKr 90m the year before.

The group order intake rose by 27 per cent to SKr 5.75bn last year and has continued to increase in the current year. The board therefore forecasts a turnover of SKr 6.3bn for 1979 while larger production volume and improved productivity are expected to "give all divisions better profit capacity."

The cemented carbide products, which make up about half total sales, provided the whole of the pre-tax profit and more, improving their contribution from SKr 429m to SKr 478m. The steel division slumped into a loss of SKr 45m while earnings on saws and tools tumbled SKr 18m to SKr 2m. The steel-belt conveyors improved their profits from SKr 23m to SKr 33m.

Sandvik's managing director, Mr. Arne Westerberg, is leaving to become Board chairman. He is also being nomiñated as chairman of the Fagersta Board. He will be replaced in the managing director's post by Mr. Lennart Ollen, who is currently deputy managing director responsible for production and technology.

Mr. Carl-Eric Bjoerkegren, deputy managing director in charge of finance, becomes first deputy managing director responsible for a new unit controlling Sandvik's foreign companies.

The co-operation with Fagersta will involve joint production, marketing and purchasing as well as research and product development. The rapprochement has been facilitated by an exchange of shares between the Kinnevik and Industrivaerden investment companies.

In two stages starting last October Kinnevik Sandvik's largest shareholder, has acquired Industrivaerden's holding in Fagersta in return for Sandvik shares. This has given Kinnevik control of about 39 per cent of the voting rights in Fagersta.

Improved profit from Kloeckner

By Guy Hawtin in Frankfurt

KLOECKNER, the Holding Company run as a limited partnership for the Kloeckner steel, fuel and engineering interests, has made good its forecasts of improved profits for 1978. The current year is also expected to be "successful," according to the management.

Profits in 1977 took a pounding as the West German steel industry, in which the group is heavily engaged, went through its worst post war year. Steel still had a thin time in 1978, but today's report shows that the year's net earnings were expected to be between DM 30m and DM 35m, after 1977's DM 28.1m.

Steel trading and industrial plant construction, which in 1977 provided the largest share of the profits, showed further increases in earnings. There was also an improvement in the raw materials trading sector and the construction branch.

Sales rose by 6 per cent from DM 7.4bn to DM 7.8bn ($4.15bn) excluding the turnover of foreign subsidiaries, which saw sales double to DM 900m.

Steel trading remained by far the most important activity of the concern, contributing 49 per cent of sales compared with the previous year's 47 per cent. Construction, fuels and chemicals maintained their proportion of turnover at 1977's 28 per cent.

However, the raw materials trading side saw its contribution drop back from 16 per cent to 15 per cent, while industrial plant construction accounted for an unchanged 6 per cent of sales.

Undoubtedly, some of the improvement in Kloeckner's performance stemmed from rationalisation measures the group has undertaken during the past three years. Even so the group still has a good way to go to return to the profit levels of previous years—for instance, 1976 when net earnings totalled DM 44m.

German mail order group advances

BY OUR FRANKFURT CORRESPONDENT

OTTO VERSAND, the large West German mail order company, reports another year of above average sales and profits growth. Furthermore, while company forecasts are difficult for 1979-80 it says, further "healthy growth" is expected.

The Hamburg-based group, which bills itself as the third largest mail order concern in the world, reported group sales up 8.4 per cent from DM 2.94bn to DM 3.19bn ($1.69bn). The business year ends on February 28 to allow for the inclusion of Christmas and New Year sales.

The interim report, which did not spell out the profit figures, said that the group's main operation, the Otto Versand mail order company, saw sales rise by 9.8 per cent from DM 2.46bn to DM 2.71bn. This compares with West German average retailing growth of 5.3 per cent during the same period.

Schwab, the Hanau-based subsidiary, reported a 7.8 per cent increase in turnover, bringing sales to DM 487m.

According to Otto, last year was marked by heavy costs pressure and "extraordinarily" stiff competition. However, turnover per worker increased from the previous year's DM 279,000 to DM 297,000.

Prices had been held stable through a policy of constantly seeking new sources of supply and through taking advantage of the appreciating D-Mark in the import market. However, further import restriction and increased value added tax at the mid-year point had made things difficult.

● Loewenbraeu Muenchen, the Munich-based brewery is proposing to pay an unchanged 16 per cent dividend for the year ended September 30, last. The proposed dividend, which will be put to the annual meeting on April 26, will carry with it a tax off-set coupon for German shareholders worth DM 4.50.

Skandinaviska Enskilda sees good year

NDINAVISKA Enskilda ken, which in its prenary report last month inced a 32.9 per cent rise operationg profit before aordinary items, allocations taxes to SKr 810m ($187m), eves that 1979 is likely to another good year.

he Bank also noted that for first time in five years, rating profit had been large ugh in 1978 to outweigh the sion of its equity capital and rves by inflation, dividends, s and losses drawn from rves.

he four managing directors dict "a substantial growth volume due among other gs to a continued rapid wth in money supply. Any or change in the average ount rate for 1979 as a le appears unlikely. We efore expect net interest nings to develop well."

ut the bank warned that ild the discount rate go up l per cent, this would reduce nings by SKr 60-70m. "It also be difficult to keep nings from currency dealing heir current high level."

uring 1978 the Bank of den lowered its discount in three ½ per cent stages ½ per cent. This increased dinaviska Enskilda's earn- since its bond portfolio has rest fixed while the cost of tal to finance these holdings ined with the discount rate. ther factor adding to 1978 nings was that the large ey supply pushed down the rest rates on special deposits er than the discount rate.

he directors said they exed to hold cost increases w 10 per cent again this r.

Kone group income falls despite rise in turnover

BY LANCE KEYWORTH IN HELSINKI

AFTER TAX income of Kone, the Finnish multi-national, fell to FMK 31m ($7.8m), compared with FMK 50m. However, after transfers to reserves and extraordinary depreciation, net profit was practically unchanged at FMK 15.5m.

Turnover grew by 10.9 per cent to FMK 1.44bn. Allowing for inflation, this represents a real increase of about 4 per cent. The increase in net sales by the Kone lift group was 12.8 per cent and invoicing by the materials handling machinery group rose by 13.6 per cent.

However, none of the groups divisions, including the instrument division, achieved their budgeted targets.

Kone takes a fairly optimistic view of the prospects for 1979. The marketing drive outside Europe is showing results. The demand for lifts seems to have passed its low. Kone foresees an increase in total turnover to FMK 1.6bn in 1979 and an improvement in profits.

● Danfoss, manufacturers of temperature control, hydraulic and electronic equipment, made a reduced pre-tax profit of DKr 289m ($55.5m) in the year ending September 30 last, compared with DKr 350m in the previous year. After tax earnings fell from DKr 222m to DKr 203m. Sales advanced from DKr 2.1bn to DKr 2.2bn ($423m), writes Hilary Barnes from Copenhagen. Earnings in the parent company, Danfoss AS, were down from DKr 230m to DKr 150m after tax.

BTI affected by adverse marketing conditions

BY JOHN EVANS

BANKERS TRUST International, the London-based investment banking subsidiary of Bankers Trust Company, earned profits before tax in 1978 of £1.17m ($516,000) compared with £1.23m the previous year.

Profit after tax was £724,428 ($356,650) against £850,817. The balance sheet contracted to £73.6m compared with £80.8m in 1977.

Noting the "adverse market conditions" which prevailed last year, BTI chairman and managing director, Mr. John F. McDaniels, said the bank nevertheless made considerable progress in all aspects of its international securities business.

In addition, BTI acted as a manager or co-manager in 56 loans, totalling more than $17.6bn in the syndicated credits market.

● Banque Europeene de Tokyo, the Paris-based Japanese consortium bank, reported a pre-tax profit of FFr 24.9m for 1978 compared with FFr 23m the previous year. Net profit was FFr 15.2m, an increase of 11.6 per cent on 1977.

Bid for Roland from M.A.N.

By Our Frankfurt Correspondent

MAN, one of West Germany's leading engineering and commercial vehicle groups, is bidding for full control of the printing machinery manufacturer, Roland Offset Maschinenfabrik Farber and Schleicher. MAN already holds more than 50 per cent of the Roland equity.

The size of the offer to be put to Roland's shareholders will be decided at the meeting of MAN's supervisory Board on March 19. However, the executive Board appears to be thinking in terms of DM 330 per share. This values Roland at DM 171.6m, or $91m.

Robeco cuts U.S. stake

BY CHARLES BATCHELOR IN AMSTERDAM

ROBECO, the Dutch investment group, made major sales of stock in Japan and Germany in 1978. Despite large purchases in the U.S., its share of assets in North America also declined.

The fund made use of the "opportunity of sometimes spectacular rises in stick prices to sell, in view of the lack of clear prospects for a more balanced international development and thus of more stable currency rates," Robeco said

It earlier announced that it proposed raising its cash dividend to Fl 8 from Fl 7.60 after increasing its capital by two stock dividends of 3½ per cent. Total income rose by Fl 5m to Fl 215m ($112.5m) while operating expenses were an unchanged 0.24 per cent of average assets. Total net assets rose to Fl 4.21bn ($2.1bn) from Fl 4.13bn.

Despite the growth of almost all major exchanges, 1978 was dominated by often violent movements on the foreign exchange markets. At the end of the year Robeco's liquidity was 9.15 per cent of assets slightly up on the 8.38 per cent in 1977.

Anticipating a possible slowdown in the U.S. economy, Robeco took advantage of more favourable stock prices to reduce or sell its holdings in very large and cyclical companies, including Celanese, Du Pont and General Motors. Purchases dominated in the U.S. however, including the stocks of American Cyanamid, American Natural Resources, Bendix and Beneficial Corporation. In Canada, Robeco slimmed its holdings. Despite the U.S. purchases there was a net reduction of Robeco's North American stake to 28.4 per cent of total assets from 34.7 per cent.

INTERNATIONAL COMPANIES and FINANCE

Property jump gives UOL fivefold rise

BY H. F. LEE IN SINGAPORE

UNITED OVERSEAS Land (UOL), the major Singapore property developer, has turned in its best ever performance. For the year to December, post-tax profit rose slightly more than five times to S$5.03m (U.S.$2.3m), while at pre-tax level, the increase was slightly more than three times, from S$2.7m to S$8.5m.

The profit announcement comes close on the heels of the disclosure of its proposed link-up with the Orient Leasing Company of Japan, which will mean the Japanese group securing a 16.6 per cent stake in its equity.

Simultaneously with its profit announcement, UOL in an unprecedented move has announced that it is reducing the conversion price for its convertible loan stock from S$3.30 nominal of loan stock for one Ordinary share to S$1.50 nominal for one Ordinary share, to bring it into line with the prevailing market price and the revaluation of its properties made in August last year.

UOL in another important revelation, also disclosed that the authorities have rejected its plans to develop its prime land at Mount Echo into a major commercial complex. However, alternative plans for the development of the site, which will be undertaken by wholly-owned subsidiary, Mount Echo Park are now under consideration.

Although the major portion of the profit contribution still comes from wholly-owned subsidiary, Singapore Merlin, the parent company itself appeared finally to be making good headway with its own property projects.

The parent company's performance improved from a loss of S$471,000 in 1977 to a profit of S$3m on a pre-tax basis, or S$1.7m after tax last year.

Providing much of the impetus for this growth were the sales achieved by its major residential property development, Cairnhill Plaza.

With the better results, the group has decided to raise the gross dividend from the previous 2 per cent to 4 per cent.

The sparkling performance returned by UOL reflects the general upsurge in Singapore's property market which since reaching a peak in 1973 has remained in the doldrums.

On the reduction of the conversion price, UOL said that it had secured the necessary agreement of the trustees for *the loan stock, Chartered Bank* (Singapore) Trustee.

The S$22m 9 per cent convertible unsecured loan stock which was issued in 1972 matures on December 31 this year. The stock is redeemable at S$1 par per stock unit on maturity. Semi-annual interest is payable in May and November.

UOL said that the revised terms would allow conversion to be exercised any time before maturity at the end of this year.

Burns Philp increases earnings

By James Forth in Sydney

BURNS, PHILP and Company, the diversified industrial group, lifted its earnings 15 per cent from A$5.1m to A$5.8m (U.S.$6.5m) in the December half-year, despite difficulties with its electrical and building divisions.

The accelerated restructuring of Sun Electric, together with heavy product rationalisation and disposal, contributed to a greater than expected loss of A$823,000 for the six months. However, it was expected that the benefit from this rationalisation would provide increasingly better results in the current half. The contribution of the iron-ore producer, Robe River was marginally lower.

The interim dividend has been raised from 7.5 cents a share to 8 cents, which is still *in line with last year's total payout* of 16 cents.

Mahindra lifts dividend

By K. K. Sharma in New Delhi

MAHINDRA and Mahindra, the largest manufacturers of jeeps and tractors in India, has increased its dividend from 15 per cent to 18 per cent, after reporting good results for the year to October.

The company made a gross profit of R54.3m (about $7m) on sales of R1.02bn (around $125m). The gross profit in 1976-77 was R41m on sales of R693m.

Foreign banks seek greater policy say

BY ANTHONY ROWLEY IN HONG KONG

THE INTERNATIONAL banking community here is equipping itself with a new meeting place, in the shape of an "exclusive penthouse club" in the New Gloucester tower complex.

This move, first announced last August when the Hong Kong Overseas Bankers Club was incorporated, comes at a time when some foreign banks—notably the U.S.—are pressing for a greater say in the colony's financial policies.

At least one U.S. bank, for instance, has recently initiated discussions with Government officials and with the Exchange Banks Association on exploring alternatives to the present interest-rate cartel, which some foreign banks allege discriminates against them in favour of the big domestic banks.

Although the link between these developments and the founding of the International Bankers Club here is not direct, it is highly likely that the club will become a focusing point for what is currently sporadic foreign bank discussion of major policy issues affecting banking and finance.

The new club is backed by more than 200 local and international financial institutions. *Its first chairman is Mr. W. C. L.* Brown, chief manager in Hong Kong of the Chartered Bank, who is also the current chairman of the EBA. The vice-chairman of the club is Mr. T. C. Ho, assistant general manager, and *head of the foreign division, of* the Hang Seng Bank, a subsidiary of the Hongkong and Shanghai Bank.

Mr. Brown said that the club "is to provide a common meeting ground for executives of the growing financial community." It will occupy 17,430 square feet on the top two levels of Gloucester Tower — a Hong Kong Land Company development—and is due to open in the summer of 1980.

Meat exports boost Petersville Australia

BY OUR SYDNEY CORRESPONDENT

PETERSVILLE Australia, the major food group, is headed for its fourth successive record profit, following a 28 per cent jump in earnings for the December half from A$4.48m to A$5.73m (US$6.4m). The directors have lifted the interim dividend from 3.125 cents a share to 4 cents, which is well covered by earnings of 11.6 cents a share.

The result was achieved on a 13.5 per cent increase in sales, from A$138m to A$157m (US$176m).

The higher profit reflected increased demand for Australian meat in Asia, while the U.S. export sales rose 55 per cent. The board said that the second-half had opened well, and assuming reasonable economic conditions it was expected that the full year would show a material gain.

* * *

CONTAINERS, the packaging group, plans a one-for-five scrip issue following a 28.6 per cent boost in profit for the December half-year, from A$3.14m to A$4.04m (US$4.5m). The interim dividend has been increased from 7 cents a share to 7.5 cents and is covered by earnings of 19.2 cents a share.

The result was achieved on a sales increase of 16 per cent from A$84m to A$98m.

Japan eases controls on overseas bank operations

BY RICHARD C. HANSON IN TOKYO

A BROAD series of measures to improve conditions for foreign banks operating in Japan — including a long-awaited increase in the amount of foreign currency they are allowed to swap into yen—has been announced by the Ministry of Finance (MOF).

Steps of this kind had been expected. They apparently are aimed at heading off overseas criticism, particularly from the U.S., that the foreign banks are treated unfairly in Japan. The monetary authorities here say that such charges stem mostly from misunderstandings of Japan's financial structure, which is highly different from western systems.

Foreign banks were notified on Friday that there would be an average 15 per cent increase in the amount of dollars they can bring into Japan to fund their yen business. The swap limit was raised in the spring of last year, but foreigners have complained that the further appreciation of the Japanese currency since then had actually reduced the amount of yen they could derive from the limits.

The new guidelines raise the overall limit by about $500m to $3.8bn. This figure is divided among the 61 foreign banks according to the size of yen loan portfolios. The new limits are somewhat larger if free-yen swap limits for in-bank use are added.

The MOF has also adjusted the amount that a foreign bank can hold as an overnight foreign exchange position.

At the same time, the MOF raised the ceiling on the amount of dollar funds the Japanese commercial banks are allowed to swap into yen from overseas sources for the first time in nine years. This ceiling is reportedly now at between $300m and $400m, an increase of about $100m.

For the foreign banks, among the more welcome of the measures announced was the lifting of all the controls applied in gathering ordinary deposits. Individual accounts were in the past discouraged.

The Ministry also agreed to treat more flexibly applications to open new branch offices in other major Japanese cities. This is not very significant at the moment, because existing foreign branch operations are hard pressed by low demand for loans generally. The most recent movement has been to close some branches outside of Tokyo. But the situation could improve in the future.

Foreigners will now be able to make loans on as free a basis as Japanese banks, subject to the guidelines issued periodically to all banks.

Foreign banks have participated in yen syndicates and some British and European banks (Barclays, for example) have been attempting to put together such syndications. There are questions, however, over how a foreign bank can fund safely a yen credit of considerable duration without the leadership of a major Japanese bank being included. MOF officials would prefer that none of the banks actually applied to lend yen, though they have not formally objected.

The MOF said it had no objection to foreigners being admitted to the bank clearing house, or participating in the nation-wide banking computer data system.

The Ministry, in return for these liberalisation measures, however, said that it would welcome a move on the part of the foreign bankers to form an association of their own, though it would not force such an association into being.

The expansion of the swap limit is welcome at the moment because of conditions in the short-term call money market, to which foreigners have access for the raising of funds. Over the end of this month, the closing of business accounts will keep the interest rates in call money higher than those in the bills discount market—as has been the case for the past two weeks.

● On the question of issuing certificates of deposit (CDs) in yen, the MOF indicated that it would take another two or three months before they could be issued simultaneously by both foreign and domestic banks.

There are reports that authorisation from the Ministry could come as early as mid-April, but there are still final details to be worked out.

Details now emerging are that the CD will carry a term of three to six months, but might *be extended to one year in the* future. The minimum issuing amount will be Y500m.

For Japanese banks CD might be limited to the equivalent of 25 per cent of paid in capital while standards for individual foreign banks are still being studied.

Interest rates would be left to fluctuate with short-term interest rates.

CURRENCIES, MONEY and GOLD

Pound firm in quiet trading

Sterling continued to show a firmer trend against most major currencies in yesterday's foreign exchange market in very subdued trading. After opening at 2.0380-2.0390, unchanged from Friday, the pound rose to 2.0410-2.0420 on a slight easing of the dollar and reached a best level of $2.0420-2.0430. There appeared to be no real indication of any intervention by the Bank of England, although sterling finished below its best level at 2.0405-2.0415, a rise of 25 points from the previous close. On Bank of England figures, its trade weighted index rose to 65.0 from 64.9, having stood at 65.1 at noon and 65.0 in the morning.

The commencement of the EMS had very little effect on rates, with most currencies having already been manoeuvred into close proximity to the new starting rates.

The dollar showed a slightly firmer trend with the Swiss franc easing to SwFr 1.6730 from SwFr 1.6700 and the D-mark slipping to DM 1.8535 from DM 1.8515. The Japanese yen was also weaker at Y205.70 compared with Y204.70 on Friday.

On Bank of England figures, the dollar's index rose to 84.6 from 84.5 while on Morgan Guaranty figures at noon in New York, its trade weighted average depreciation narrowed to 8.4 per cent from 8.5 per cent.

NEW YORK—Early trading saw most currencies move within a very narrow range, with dealers keeping a close eye on progress of President Carter's Middle East talks. The dollar showed mixed changes with sterling improving against the Swiss franc and yen declining a little against the U.S. unit. The pound was quoted at $2.0410 against $2.0385 on Friday, while the yen eased to Y205.70 from Y204.85. Similarly the Swiss franc slipped to SwFr 1.6735 from SwFr 1.6710.

FRANKFURT—The Bundesbank did not intervene yesterday when the dollar was fixed at DM 1.8537, slightly up from DM 1.8524 on Friday. Trading was somewhat subdued ahead of the implementation of the EMS, although it was generally believed that the latter would merely incorporate existing levels of exchange.

MILAN—Intervention by the Bank of Italy ahead of the start of the EMS, prevented any sharp movements between the lira and other currencies yesterday. However the Italian unit showed an overall loss with the dollar firming to L843.65 from L841.05 and the D-mark rising to L455.10 against L454.01. Sterling continued to improve and reached an all time high of L1,722.45, almost seven points higher than Friday.

ZURICH—After very active early morning trading, the dollar eased slightly against major currencies as conditions quietened considerably. Against the Swiss franc it slipped to SwFr 1.6730 from SwFr 1.6750 earlier and DM 1.8530 compared with DM 1.8550.

AMSTERDAM—The dollar was fixed at Fl 2.0035 yesterday, slightly up from Friday's level of Fl 2.005, and was only slightly easier in later trading at Fl 2.0032.

TOKYO—The dollar continued to improve against the yen yesterday and finished at Y205.6, its highest level since June last year, and compared with Friday's close of Y204.675. After opening at its low point for the day of Y204.70, the U.S. unit improved despite intervention by the Bank of Japan, which was reported to have sold around $150m in an effort to prop up the yen. Growing concern over Japan's economic performance was cited as one of the main causes of the dollar's improvement, while demand for the latter currency remained strong on import settlements.

THE DOLLAR SPOT AND FORWARD

March 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	2.0380-2.0430	2.0405-2.0415	0.42-0.32c pm	2.17	0.70-0.60 pm	1.27
Ireland	2.0380-2.0430	2.0405-2.0415	0.42-0.32c pm	2.17	0.70-0.60 pm	1.27
Canada†	84.77-84.88	84.85-84.88	0.5-0.3c dis	−0.57	0.8-0.5 dis	−0.31
Nethlnd.	2.0025-2.0040	2.0030-2.0040	0.67-0.60c pm	3.80	1.73-1.65 pm	3.37
Belgium	29.37-29.41	29.39-29.41	9½-8½c pm	3.67	23½-22 pm	3.09
Denmark	5.2025-5.2190	5.2025-5.2035	0.25-0.75 ore dis	−1.15	1.75-2.25dis	−1.54
W. Ger.	1.8520-1.8545	1.8530-1.8540	1.12-1.02 pm pm	6.93	3.12-3.02 pm	6.62
Portugal	47.67-47.78	47.73-47.78	30-40c dis	−8.80	70-135 dis	−8.59
Spain	69.03-69.11	69.03-69.07	5-15c dis	−1.74	26-36 dis	−1.80
Italy	843.20-844.20	843.20-844.20	0.50-0.80 lire dis	−0.92	1.90-2.40dis	−1.02
Norway	5.0870-5.0895	5.0885-5.0895	0.30-0.20 ore pm	0.69	1.55-1.05 pm	1.02
France	4.2795-4.2820	4.2795-4.2805	0.90-0.80c pm	2.38	2.46-2.25 pm	2.20
Sweden	4.3625-4.3675	4.3625-4.3635	0.80-0.60c pm	1.92	2.35-2.15 pm	2.06
Japan	205.20-205.90	205.65-205.75	1.25-1.15y pm	7.00	3.25-3.15 pm	9.33
Austria	13.59-13.59½	13.58-13.59½	7.75-7.00 gro pm	6.51	20.50-18.50pm	5.74
Switz.	1.6715-1.6750	1.6725-1.6735	1.65-1.55c pm	11.48	4.34-4.25 pm	10.27

† U.S. cents per Canadian $.

THE POUND SPOT AND FORWARD

March 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0380-2.0430	2.0405-2.0415	0.42-0.32c pm	2.18	0.70-0.60pm	1.27
Canada	2.4035-2.4095	2.4040-2.4050	0.40-0.30c pm	2.05	0.68-0.58 pm	1.23
Nethlnd.	4.08-4.10½	4.08¾-4.09¾	2½-1½c pm	5.50	5¾-4¾ pm	4.64
Belgium	59.90-60.10	59.95-60.05	30-20c pm	6.00	65-55 pm	4.00
Denmark	10.61-10.67	10.61½-10.62½	1½ore pm-½ore dis	0.56	¼pm-1¼dis	−0.38
W. Ger.	3.77½-3.79½	3.78-3.79	3½-2½pf pm	8.32	7½-6½ pm	7.53
Portugal	96.85-97.70	97.20-97.60	30-100c dis	−10.48	60-220 dis	−5.75
Spain	140.75-141.15	140.80-140.90	20c pm-30c dis	−4.26	par-120 dis	−1.70
Italy	1,720½-1,723½	1,721-1,722	2½-½ lira pm	1.04	2 pm-par	0.23
Norway	10.37½-10.40½	10.38-10.39	2¾-¼ ore pm	2.02	6¾-4¾ pm	2.21
France	8.72½-8.75½	8.73¼-8.74¼	3½-2½c pm	4.12	8-7 pm	3.43
Sweden	8.89½-8.92½	8.90-8.91	3½-1½ ore pm	3.37	8-6 pm	2.25
Japan	415-425	419½-421½	3.35-3.05y pm	9.13	8.00-7.70 pm	7.47
Austria	27.70-27.80	27.73-27.78	25-15 gro pm	8.65	55-45 pm	7.20
Switz.	3.41-3.43	3.41¾-3.42¾	4½-3½c pm	13.17	10¾-9¾ pm	11.56

Belgium rate is for convertible francs. Financial franc 60.65-60.75.
Six-month forward dollar 0.92-0.82c pm. 12-month 1.95-1.85c pm.

CURRENCY RATES

March 9	Bank rate %	Special Drawing Rights	European Unit of Account
Sterling	13	0.631996	0.664622
U.S. $	9½	1.28883	1.35576
Canadian $	11¼	1.52314	1.60278
Austria Sch.	3¾	17.4991	18.4113
Belgian F	6	37.8529	39.7984
Danish K.	8	6.70514	7.05538
D mark	3	2.38743	2.51087
Guilder	6½	2.57830	2.71220
French Fr.	9½	5.51168	5.79724
Lira	10½	1083.91	1140.20
Yen	3½	263.566	277.416
Nrwgn. K	7	6.55499	6.89540
Spanish Pes.	8	88.9705	93.5747
Swedish Kr.	6½	5.62085	5.91587
Swiss Fr.	1	2.15209	2.26290

CURRENCY MOVEMENTS

Mar. 12	Bank of England Index	Morgan Guaranty changes %
Sterling	65.0	−39.4
U.S. dollar	84.6	−8.4
Canadian dollar	79.8	−17.7
Austrian schilling	147.3	+19.7
Belgian franc	114.4	+14.7
Danish krone	117.5	+6.3
Deutsche Mark	150.9	+42.3
Swiss franc	195.5	+82.4
Guilder	125.2	+21.0
French franc	99.5	−6.2
Lira	54.0	−49.6
Yen	140.2	+38.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Mar. 12	£	$		£ Note Rates
Argentina Peso	2278-2298	1116-1126	Austria	27-28
Australia Dollar	1.8140-1.8190	0.8888-0.8912	Belgium	60-61
Brazil Cruzeiro	45.76-46.76	22.40-22.90	Denmark	10.56-10.66
Finland Markka	8.08-8.0950	3.9590-3.9660	France	8.65-8.75
Greek Drachma	73.621-75.413	36.05-36.95	Germany	3.72-3.82
Hong Kong Dollar	9.8525-9.8725	4.8270-4.8370	Italy	1,680-1,730
Iran Rial	149.12-159.12	73-78	Japan	415-425
Kuwait Dinar (KD)	0.556-0.566	0.2750-0.2751	Netherlands	4.02-4.12
Luxembourg Frc.	59.95-60.05	29.39-29.41	Norway	10.32-10.42
Malaysia Dollar	4.485-4.495	2.1975-2.2025	Portugal	93-99
New Zealand Dlr.	1.9295-1.9365	0.9455-0.9484	Spain	140.50-145.50
Saudi Arab. Riyal	6.80-6.86	3.3605-3.3610	Switzerland	3.35-3.45
Singapore Dollar	4.4325-4.4425	2.1715-2.1765	United States	2.0350-2.0450
Sth. African Rand	1.71404-1.72470	0.8400-0.8450	Yugoslavia	40½-42½

Rate given for Argentina is free rate.

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on March 5, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rate; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

Place and Local Unit		Value of £ Sterling
Afghanistan	Afghani	82.00
Albania	Luk	10.1392
Algeria	Dinar	7.8148
Andorra	French Franc	8.7375
	Spanish Peseta	140.85
Angola	Kwana	n.a.
Antigua (S)	E. Caribbean $	5.5158
Argentina	Ar. Peso Free Rate	2288
Australia (S)	Australian $	1.8165
Austria	Schilling	27.755
Azores	Portug. Escudo	97.40
Bahamas (S)	Ba. Dollar	2.0410
Bangladesh (S)	Taka	30.99 (sg)
Bahrain (S)	Dinar	0.788
Balearic Isles	Spa. Peseta	140.85
Barbados (S)	Babados $††	4.082
Belgium	B. Franc	(cm) 60.00
		(fn) 60.70
Belize	B $	4.082
Benin	C.F.A. Franc	436⅞
Bermuda (S)	Bda $	2.0410
Bhutan	Indian Rupee	16.427 (sg)
Bolivia	Bolivian Peso	40.82
Botswana (S)	Pula	1.69027
Brazil	Cruzeiro ‡‡	46.26
Brit. Virgin Isles (S)	U.S. $	2.0410
Brunei (S)	Brunei $	4.4375
Bulgaria	Lev	1.7400
Burma	Kyat	13.7300
Burundi	Burundi Franc	181.995
Cameroon Repub'c	C.F.A. Franc	436⅞
Canada	Canadian $	2.04045
Canary Islands	Spanish Peseta	140.85
Cape Verde Isle.	Cape V. Escudo	74.5169
Cayman Islands (S)	Cay. Is. $	1.7008
Cent. African Rep.	C.F.A. Franc	436⅞
Chad	C.F.A. Franc	436⅞
Chile	C. Peso	(Bk) 71.44
China	Ranminbi Yuan	3.1609
Columbia	C. Peso	(F) 84.72
Comoro Islands	C.F.A. Franc	436⅞
Congo (Brazzaville)	C.F.A. Franc	436⅞
Costa Rica	Colon	17.5526
Cuba	Cuban Peso	1.4478
Cyprus (S)	Cyprus £	0.7260
Czechoslovakia	Koruna	(com) 10.60
		n/c 21.10
		(T) 17.85
Denmark	Danish Krone	10.62
Djibouti	Fr.	330.0
Dominica (S)	E. Caribbean £	5.5158
Dominican Repub.	Dominican Peso	2.0410
Ecuador	Sucre	(O) 50.80
		(F) 55.60
Egypt	Egyptian £	(U) 1.4025
Equatorial Guinea	Pesata	140.85
Ethiopia	Ethiopian Birr	(P) 4.2297
Falkland Islands (S)	Falkland Is. £	1.0
Faro Islands	Danish Krone	10.62
Fiji Islands	Fiji $	1.6995
Finland	Markka	8.0875
France	French Franc	8.7375
FrenchC'tyin Af*	C.F.A. Franc	436⅞
French Guiana	Local Franc	8.7375
French Pacific Is.	C.F.P. Franc	158.86
Gabon	C.F.A. Franc	436⅞
Gambia (S)	Dalasi	4.0155
Germany (East)	Ostmark	3.785
Germany (West)	Deutsche Mark	3.785
Ghana (S)	Cedi	n.a.
Gibraltar (K)	Gibraltar £	1.0
Gilbert Islands	Australian $	1.8165
Greece	Drachma	74.517
Greenland	Danish Kroner	10.62
Grenada (S)	E. Caribbean $	5.5158
Guadaloupe	Local Franc	8.7575
Guam	U.S. $	2.0410
Guatemala	Quetzal	2.0410
Guinea Republic	Sily	39.116
Guinea Bissau		697.225
Guyana (S)	Guyanese $	5.2045
Haiti	Gourd	10.205
Honduras Repub.	Lempira	4.10
Hong Kong (S)	H.K. $	9.8625
Hungary	Forint	(com) 72.66
		(T/nc) 41.52
Iceland (S)	I. Krona	662.0
India (S)	Ind. Rupee	16.427
Indonesia	Rupiah	1275.625
Iran	Ria	154.12
Iraq	Iraq Dinar	0.60285
Irish Republic (k)	Irish £	1.00
Israel	Israel £	40.6275
Italy	Lira	1721.5
Ivory Coast	C.F.A. Franc	436⅞
Jamaica (S)	Jamaica Dollar	3.5309
Japan	Yen	420.5
Jordan (S)	Jordan Dinar	0.598(sg)
Kampuchea	Riel	2449.2
Kenya (S)	Kenya Shilling	15.265
Korea (Nth)	Won	1.77(‖)
Korea (Sth)	Won	980.39
Kuwait (Sth)	Kuwait Dina	0.562
Laos	Kip Pot Po	816
Lebanon	Lebanese £	6.434
Lesotho	S. African Rand	1.7194
Liberia	Liberian $	2.0410
Libya	Libyan Dinar	0.6042
Liechtenstein	Swiss Franc	3.4175
Luxembourg	Lux Franc	60.00
Macao	Pataca	10.2597
Madeira	Portug'se Escudo	97.40
Malagasy Republic	MG Franc	436⅞
Malawi (S)	Kwacha	1.65575
Malaysia (S)	Ringgit	4.4900
Maldive Islands (S)	Mal Rupee	8.031
Mali Republic	Mali Franc	873.75
Malta (S)	Maltese £	0.7385
Martinique	Local Franc	8.7575
Mauritania	Ouguiya ‡	87.288
Mauritius (S)	M. Rupee	12.2233
Mexico	Mexican Peso	46.56
Miquelon	C.F.A. Franc	436⅞
Monaco	French Franc	8.7375
Mongolia	Tugrik	(O) 5.867(‖)
Monserrat	E. Caribbean $	5.5158
Morocco	Dirham	7.90(sg)
Mozambique	Moz. Escudo	65.096
Nauru	Australian Dollar	1.8165
Nepal	Nepalese Rupee	24.49
Netherlands	Guilder	4.0925
NetherlandAntilles	Antillian Guilder	3.65539
New Hebrides	Franc.	141.21
	Aust. Dollar	1.8165
New Zealand (S)	N. Z. Dollar	1.9325
Nicaragua	Cordoba	14.35
Niger Republic	C. F. A. Franc	436⅞
Nigeria (S)	Naira	1.27372(sg)
Norway	Norway Krone	10.385
Oman Sul'ate of (S)	Rial Omani	0.705
Pakistan	Pakistan Rupee	20.16
Panama	Balboa	2.0410
Papua N. Guinea (S)	Kina	1.4385
Paraguay	Guarani	254.90
Peoples D. Repub. of Yemen (S)	S. Yemen Dinar	(A) 0.6970
Peru	Sol	exc(A) 420.30
Philippines	Philippine Peso	15.055
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	1.9325
Poland	Zloty	(Cm) 62.82
		(T) 62.82
Portugal	Portugu'se Escudo	97.40
Port Timor	Timor Escudo	97.40
Principe Islands	Portugu'se Escudo	97.40
Puerto Rico	U.S. $	2.0410
Qatar (S)	Qatar Ryal	7.83
Reunion Ile de la	French Franc	8.7375
Rhodesia	Rhodesian $	1.4154
Romania	Leu	(Cm) 9.07
		(c/c/T) 24.35
Rwanda	Rwanda Franc	185.93
St. Christopher (S)	E. Caribbean $	5.5158
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	5.5158
St. Pierre	C.F.A Franc	436⅞
St. Vincent (S)	E. Caribbean $	5.5158
Salvador El	Colon	5.11
Samoa American	U.S. $	2.0410
San Marino	Italian Lire	1,721.5
Sao Tome	Portugese Escudo	97.40
Saudi Arabia	Ryal	6.83
Senegal	C.F.A. Franc	436⅞
Seychelles	S. Rupee	13.33
Sierre Leone (S)	Leone	2.1609
Singapore (S)	Singapore $	4.4375
Solomon Islands (S)	Solomon Is. $	1.8085
Somali Republic	Somali Shilling	(A) 12.848
South Africa (S)	Rand	1.7194
South West African Territories (S)	S. A. Rand	1.7194
Spain	Peseta	140.85
Spanish ports in North Africa	Peseta	140.85
Sri Lanka (S)	S. L. Rupee	31.408
Sudan Republic	Sudan £	(A) 0.8164
Surinam	S. Guilder	3.6534
Swaziland (S)	Lijangeni	1.7194
Sweden	S. Krona	8.905
Switzerland	Swiss Franc	3.4175
Syria	Syria £	(A) 8.0109
Taiwan	New Taiwan	(P) 73.4760
Tanzania (S)	Tan. Shilling	16.90
Thailand	Baht	41.220(sg)
Togo Republic	C.F.A. Franc	436⅞
Tonga Islands (S)	Pa'anga	1.8085
Trinidad (S)	Trinidad & Tob' $	4.8984
Tunisia	Tunisian Dinar	0.790(sg)
Turkey	Turkish Lira	50.10
Turks & Caicos	U.S. $	2.0410
Tuvalu	Australian $	1.8165
Uganda (S)	Uganda Shilling	14.77
United States	U.S. Dollar	2.0410
Uruguay	Uruguay Peso	(cm) 15.01
		(fn) 15.03
Utd. Arab Emirates	U.A.E. Dirham	7.83
U.S.S.R.	Rouble	1.33
Upper Volta	C.F.A. Franc	436⅞
Vatican	Italian Lire	1,721.5
Venezuela	Bolivar	8.77
Vietnam	Dong	(O) 4449
		(T) 4.070(‖)
Virgin Islands U.S.	U.S. Dollar	2.0410
Western Samoa (S)	Samoan Tala	1.4675
Yemen	Ryal	9.22(sg)
Yugoslavia	New Y Dinar	37.8653
Zaire Republic	Zairwe	3.164576
Zambia	Kacha	1.610

* That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 85.722. ‖ Based on cross rates against Russian rouble. ** Rate is the Transfer market (controlled). †† Rate is now based on 2 Barbados £ to the dollar. ‡‡ Now one official rate. (U) Unified Rate. Applicable on all transactions, except countries having a bilateral agreement with Egypt, and are not members of IMF.

EXCHANGE CROSS RATES

Mar. 12	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.041	3.785	420.5	8.738	3.418	4.093	1722.	2.405	60.00
U.S. Dollar	0.490	1.	1.854	206.0	4.381	1.674	2.005	843.5	1.178	29.40
Deutschemark	0.264	0.539	1.	111.1	2.308	0.903	1.081	454.8	0.635	15.85
Japanese Yen 1,000	2.378	4.854	9.001	1000.	20.78	8.127	9.732	4094.	5.718	142.7
French Franc 10	1.144	2.336	4.332	481.5	10.	3.911	4.684	1970.	2.752	68.67
Swiss Franc	0.293	0.597	1.108	123.0	2.557	1.	1.198	503.7	0.704	17.56
Dutch Guilder	0.244	0.499	0.925	102.7	2.135	0.835	1.	420.5	0.588	14.66
Italian Lira 1,000	0.581	1.186	2.199	244.3	5.076	1.985	2.377	1000.	1.397	34.85
Canadian Dollar	0.416	0.849	1.574	174.9	3.634	1.421	1.702	715.9	1.	24.95
Belgian Franc 100	1.667	3.402	6.308	700.8	14.56	5.696	6.821	2869.	4.008	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.40-10.50 per cent; three months 10.60-10.70 per cent; six months 10.90-11.00 per cent; one year 10.80-10.90 per cent.

Mar. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	12-12½	10⅛-10⅜	9-10	7⅜-7⅝	[illegible]	4 1/16-4 3/16	7½-8½	7-10	—	1 1/16-6⅞
7 day's notice	12-12½	10¼-10½	9-10	6½-6¾	[illegible]	4 1/16-4 3/16	7½-8½	10½-11½	10¼-10⅜	3-4½
Month	12½-12¾	10⅜-10⅝	10⅝-11	6⅞-7⅛	[illegible]	4¼-4⅜	8¼-8⅝	11-12	10½-10⅝	3⅞-4⅜
Three months	12¼-12½	10 9/16-10 11/16	10¾-11⅛	7⅛-7⅜	[illegible]	4¼-4⅜	8½-8¾	11½-12¾	10¾-10⅞	4-4 3/16
Six months	12⅛-12⅜	10 15/16-11 1/16	10 15/16-11 1/16	7⅛-7⅜	¾-⅞	4 5/16-4 7/16	9-9¼	12-13	11⅛-11¼	4⅜-4⅝
One year	12⅛-12⅜	10⅞-11⅛	10 15/16-11 1/16	7¼-7½	1⅛-1⅜	4 7/16-4 9/16	9½-9¾	12¼-13¼	11 1/16-11 3/16	4¼-4 7/16

Long-term Eurodollar deposits: two years 10½-10⅝ per cent; three years 10⅝-10¾ per cent; four years 10 11/16-10 13/16 per cent; five years 10 11/16-10 13/16 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates steady

European short term interest rates showed little movement yesterday ahead of today's start of the European Monetary System. In Paris day-to-day money remained at 7 per cent, after rising steadily last week from 6¾ per cent on Tuesday. Period rates were also unchanged, with one-month at 6¾-6 13/16 per cent; three-month at 7-7⅛ per cent; six-month at 7¼-7⅜ per cent; and 12-month at 7⅞-8 per cent.

Apart from the French franc and Irish punt, the other currency to join the members of the European currency snake in the EMS is the Italian lira. In Milan interest rates were also unchanged, with call money unchanged at 10¼-10⅞ per cent; one-month at 11¼-11½ per cent; two-month at 11¼-11½ per cent; and three-month at 11⅜-11⅝ per cent.

Elsewhere in Europe dealing spreads tended to widen, notably in Holland and Belgium.

AMSTERDAM — Call money was unchanged at 7⅛-7⅜ per cent; while one-month was quoted at 7⅜-7⅝ per cent, compared with 7⅜-7⅝ per cent; three-month at 7⅜-7⅝ per cent, against 7⅜-7⅝ per cent; and six-month at 7¼-7½ per cent, compared with 7⅜-7½ per cent.

BRUSSELS — Call money rose to 4.65 per cent from 4.30 per cent. One-month was quoted at 7⅜-7⅝ per cent, compared with 7½-7⅝ per cent; three-month at 7⅞-8 per cent, against 7 13/16-7 15/16 per cent; six-month at 8-8¼ per cent, compared with 8-8 1/16 per cent; and 12-month at 8⅛-8⅜ per cent, against 8 1/16-8⅜ per cent.

FRANKFURT — Call money rose to 4.30-4.40 per cent from 4.20-4.30 per cent; one-month to 4.30-4.40 per cent from 4.15-4.25 per cent; while three-month was quoted at 4.30-4.40 per cent, compared with 4.30-4.35 per cent. Six-month eased to 4.40-4.50 per cent from 4.45-4.55 per cent, and 12-month was unchanged at 4.95-5.05 per cent.

NEW YORK — The Federal Reserve added liquidty to the banking system by way of overnight repurchase orders, as Federal funds traded up to 10¼ per cent, compared with 10 1/16 per cent on Friday morning. This reduced earlier speculation that the U.S. authorities may have been considering a rise in the target rate for Fed funds. At the same time First National Bank of Chicago raised its prime rate to 11¾ per cent from 11½ per cent.

SINGAPORE—United Overseas Bank Group, one of the big four Singapore banks, has raised its prime lending rate to 8 per cent from 7¾ per cent. All four banks increased their prime rates from 7½ per cent to 7¾ per cent recently, but United Overseas becomes the first to move into line with most foreign banks, which have prime rates of 8 per cent or higher.

HONG KONG—The money market was easy, with call money at 10¾ per cent and overnight at 10 per cent.

GOLD

Slight fall

Conditions remained extremely dull in the London bullion market yesterday and gold lost $2 an ounce to close at $238½-239¼. After opening at $240-240¾, the metal was fixed higher during the morning at $241.10 but eased slightly at the afternoon fixing to $240.00.

	Mar. 12	Mar. 9
Gold Bullion (fine ounce)		
Close	$238½-239¼	$240½-241¼
	(£116.9-117.3)	(£118-118.4)
Opening	$240-240¾	$239¾-240½
	(£117.6-118.0)	(£117.5-117.9)
Morning fixing	$241.10	$240.50
	(£118.053)	(£117.892)
Afternoon fixing	$240.00	$241.00
	(£117.561)	(£118.137)
Gold Coins, domestically		
Krugerrand	$255-257	$252¾-256¾
	(£125-126)	(£124-126)
New Sovereigns	$67¾-69¾	$68¼-70¼
	(£33¼-34¼)	(£33½-34½)
Old Sovereigns	$76½-78½	$78½-80½
	(£37½-38½)	(£38½-39½)
Gold Coins, internationally		
Krugerrand	$246¾-248¾	$247-249
	£121-122	(£121½-122½)
New Sovereigns	$63¼-65¼	$62¾-64¾
	(£31-32)	(£30¾-31¾)
Old Sovereigns	$78¾-80¾	$78½-80½
	(£38½-39½)	(£38½-39½)
$20 Eagles	$314-316	$313-318
$10 Eagles	$172-177	$172½-177½
$5 Eagles	$119½-124½	$120-125

Movements in gold may have been influenced by a sharply weaker trend in silver.

In Paris the 12½ kilo bar was fixed at Fr 33,450 per kilo ($243.02 per ounce) in the morning, compared with Fr 33,380 ($242.85) on Friday morning.

In Frankfurt the 12½ kilo bar was fixed at DM 14,390 per kilo ($241.50 per ounce) against DM 14,350 ($241.02) previously.

UK MONEY MARKET

Adequate credit supply

Bank of England Minimum Lending Rate 13 per cent (since March 1, 1979)

Day-to-day credit was in good supply in the London money market yesterday, and the authorities did not intervene. Trading was fairly quiet, and although repayment had to be made of the large amount borrowed by the discount houses on Friday, this was roughly balanced by an inflow of funds through the foreign exchange market.

There were no other major factors to influence trading. Discount houses paid up to 12¾ per cent for secured call loans at the start, and closing balances were taken at 12-12½ per cent.

Short-term fixed period interest rates were slightly easier in places, with three-month sterling certificates of deposit declining to 11½-11⅝ per cent from 11⅝-11¾ per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Mar. 12 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	12¾-13½	—	—	—	—	12-12⅞	—	—	—
2 days notice	—	—	12⅞-13	—	—	—	—	—	—	—
7 days or 7 days notice	—	12⅞-13⅛	12⅞-13⅛	—	13½	13	12¾-12⅞	—	—	—
One month	12 1/16-12¼	12 7/16-12 9/16	12⅛	12⅝-12½	12⅞	12⅞	12	11 9/16-11 17/32	12⅝-12 11/16	12⅞
Two months	12⅛-11 15/16	12 7/16-12 9/16	—	11⅞-12¼	12½	—	11⅝	11⅛-11 1/16	11⅞-11 13/16	12½
Three months	11½-11⅝	11⅝-11 11/16	11⅝	11¼-11⅝	12	12	11 5/16	10 27/32-11	11¼-11 3/16	11¾
Six months	11⅛-11	11⅛-11 3/16	11¼	10¾-11⅛	11½	—	—	—	10⅝-10¾	12
Nine months	11 1/16-10 15/16	10⅞-11 1/16	—	11¼	11⅝	—	—	—	—	—
One year	11-10⅞	10⅞-11⅛	11-11¼	10¾-11⅛	11⅝	—	—	—	—	—
Two years	—	—	11¼-11½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 11½-11¾ per cent; four years 11¾-12 per cent; five years 12-12⅛ per cent. Φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 10⅞-11 per cent; four-month trade bills 12 per cent.

Approximate selling rates for one-month Treasury bills 11 5/32 per cent; two-month 11-11 1/16 per cent; three months 10 27/32-10⅞ per cent. Approximate selling rate for one-month bank bills 12⅛ per cent; two-month 11¾ per cent; and three-month 11⅛-11 3/16 per cent; one-month trade bills 12¾ per cent; two-month 12⅝ per cent; and three-month 11⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from March 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10.5 per cent. Clearing Bank Rates for lending 13 per cent. Treasury Bills: Average tender rates of discount 11.3292 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.25
Treasury Bills (13-week)	9.48
Treasury Bills (26-week)	9.46

GERMANY

Discount Rate	3
Overnight Rate	4.35
One month	4.35
Three months	4.35
Six months	4.45

FRANCE

Discount Rate	9.5
Overnight Rate	7.00
One month	6.78125
Three months	7.0625
Six months	7.3125

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.5
Bills Discount Rate	4.5625

WORLD STOCK MARKETS

Early Dow 4.9 loss on interest rate worries

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—82¼% (80¾%)
Effective $2.0410 43% (41¼%)

RENEWED WORRIES about interest rates induced profit-taking on Wall Street yesterday morning, stocks showing a downward tendency in moderate trading after last week's good rise.

The Dow Jones Industrial Average, up 27 points the previous week, came back 4.94 to 837.92 at 1 pm. The NYSE All Common Index receded 30 cents to $55.51, while declines outpaced gains by a two-to-one margin. Turnover amounted to 16.37m shares, well below last Friday's 1 pm figure of 25.52m.

Closing prices and market reports were not available for this edition.

First National Bank of Chicago moved its Prime Rate back to 11¾ per cent after cutting it to 11½ on February 5. Most major banks stayed at the 11¾ rate during that time-span.

Analysts also noted that President Carter's chance of success in talks with Egypt and Israel is still unclear.

Some Casino and Savings and Loan shares were hit by profit-taking. Caesars World retracted 1½ to $55 and Financial Federation 1½ to $34.

Sears topped the actives list and rose ⅛ to $20⅜ on increased fourth-quarter net profits. Trading included a block of 673,100 shares at $20¼. Philip Morris lost ⅞ to $64. A block of 134,400 shares were moved at $64.

U.S. Gypsum fell 2¼ to $27½. The company's offer to buy 1.25m of its shares at $30.50 each expired last Friday.

Cyprus Mines advanced 1½ to $29⅞. Standard Oil of Indiana has held a meeting with Cyprus officials, and published reports said a possible merger was discussed by Indiana. Standard refused to comment.

Seaboard World Airlines added ⅞ at $12¼. A court has lifted an injunction blocking Tiger International from making an offer for 638,000 Seaboard shares at $12.30 each.

National Airlines put on ⅞ to $40⅛ ex-dividend. It has rejected an acquisition offer from Texas International Airlines, which hardened ⅜ o $12⅜ ex-dividend in active American exchange trading.

THE AMERICAN SE Market Value Index reacted 0.16 to 166.50 at 1 pm. Volume 1.80m shares (2.74m).

Golden Nugget, the Amex leading active, declined 1¼ to $25⅝, but Resorts International "A", in second place, rose 1½ to $52¼.

Canada

An easier bias also prevailed on Canadian markets early yesterday in a moderate business, halting the recent strong uptrend. The Toronto Composite Index shed 1.8 to 1,401.2 at noon, while Metals and Minerals lost 4.3 to 1,265.2 and Banks 1.28 to 301.78, but Golds rose 11.2 to 1,537.2 and Papers 0.98 to 164.28.

Vulcan Industrial Packaging, which last traded at C$8½, was halted from the opening to disclose that the company plans to close its container plant in Chicago.

Tokyo

Shares finished on a rather mixed note after very slow trading, volume reaching only 190m shares, against 180m in Saturday's half-day session and last Friday's total of 220m. The Nikkei-Dow Jones Average was a modest 5.15 higher at 6,062.58.

Pharmaceuticals, Real Estates and some Food issues were purchased, but Light Electricals and energy industry-related stocks, such as Oils, generally reacted.

Several shares with anticipated good earnings prospects attracted support, with Sharp Corporation rising Y10 to Y494, Canon Y2 to Y561 and Isuzu Motor Y6 to Y359.

Sekisui Prefab were notable for an advance of Y31 to Y820, while Takeda Chemical rose Y18 to Y526, but Pioneer Electronic receded Y30 to Y2,200. Nippon Oil retreated Y11 to Y824, Mitsui Mining Y6 to Y377 and Arabian Oil Y20 to Y2,420.

Germany

Amid stock market talk of a possible rise in the discount rate being announced by the Bundesbank later this week, shares drifted easier in listless trading. The Commerzbank Index lost 3.1 to 798.7.

Many investors were apparently hesitating to participate in the markt until various rumours had been cleared up. Traders mentioned the start of the European Monetary System (EMS) as another factor slowing activity on the German Bourses.

Because of the light trading, dealers said, some dramatic losses occurred that had no wider significance. Among Electricals, Brown Boveri fell DM 8.00, but traders said it was the result of a few transactions on a listless market.

Motors were unsettled by retail gasoline price rises announced by major German oil companies. BMW and Volkswagen declined DM 3.00 apiece.

Among Banks, Deutsche Bank lost DM 2.10 and Bayernhypo DM 2.50, while Stores had Karstadt down DM 2.70 and Neckermann off DM 2.00. In Chemicals, Schering shed DM 3.00, while in Machine Manufacturers, Babcock declined DM 1.50.

Public Authority Bonds shed up to 30 pfennigs more. The Bundesbank bought DM 7.8m nominal of paper in open market operations after DM 49m purchases last Friday. Mark Foreign Loans mainly held steady again.

Paris

There were again no share quotations due to the Bourse employees' strike for higher wages.

The Paris Stockbrokers Association has rejected any resumption of talks with unions representing the striking Bourse employees, a union spokesman stated. The unions have decided to widen their action to include a ban on work normally done outside Bourse hours, he added.

Bourse employees voted on March 8 to continue striking each day between 11.30 and 14.30 local time until the end of this week.

Switzerland

A weaker Bond market had a direct impact on share prices in all sectors, which settled at lower levels in brisk trading.

Nestle Bearer declined 20 to SwFr 3,540, Alusuisse 10 to SwFr 1,410, Ciba-Geigy 20 to SwFr 1,205, Saurer 20 to SwFr 1,190, Union Bank 20 to SwFr 3,280 and Swiss Reinsurance 25 to SwFr 5,275.

In the Bond market, losses extending to 1 per cent were registered, dealers said, adding that the market is heading for a new yield level, expected to be found in a few days.

Amsterdam

Easier-inclined in light dealings.

Among the internationals, however, Royal Dutch gained 20 cents to Fl. 133.20. Brokers said the rise was influenced by favourable reports about Iran's oil production and a slightly higher dollar.

Unilever, at Fl 124.00, gained 60 cents, but Akzo lost Fl. 1.00 to Fl 28.90.

Reports about a failure by employers and trade union representatives to reach a new collective labour agreement adversely affected Hoogovens, the Dutch steel company, which lost Fl 1.10 to Fl 30.70.

Hong Kong

Market was slightly firmer in quiet trading, but with investors somewhat hesitant ahead of some major company results, to be published shortly. The Hang Seng index closed 1.27 up at 535.01.

Green Island Cement added 25 cents at HK$34.50 and Cheung Kong 30 cents at HK$10.30 amid continuing rumours that Cheung Kong is acquiring a 25 per cent stake in Green Island. Last Friday, Green Island declined to comment on the rumours.

Among the leaders, Hong Kong Bank lost 10 cents to HK$19.40 and Hutchison 7½ cents to HK$4.075, but Hong Kong Land gained 5 cents to HK$7.75, Jardine Matheson 10 cents to HK$11.80, Swire Pacific "A" also 10 cents to HK$8.20 and Wheelock "A" 5 cents to HK$3.175.

Johannesburg

Golds mostly gained further ground in light dealings, helped by the firmer Bullion price and some London demand.

Mining Financials were quietly mixed, while Collieries and Platinums tended to harden but Coppers were generally unchanged.

Industrials saw little activity and failed to establish a clear trend.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
✤ SwFr 500 denom. and Bearer shares unless otherwise stated. * Y50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

NEW YORK

Stock	Mar. 9	Mar. 8
Abbott Labs	31⅛	30⅝
AM International	19⅞	20
Adobe Oil & Gas	21	21¼
Aetna Life & Ca.	43¼	43¼
Air Products	25⅝	25⅞
Corning Glass	54⅛	53⅝
CPC Int'rnationa	51⅜	51⅜
Crane Co.	29¼	29¼
Crocker Nat'l	27⅝	27¼
Crown Zellerb'h	33¼	33½
Cummins Engine	34⅛	34
Curtiss Wright	13¾	15⅝
Johns Manville	23⅞	25½
Johnson Johnson	70	68⅞
Johnson Control	27¾	27⅝
Joy Manufacturg	30¼	30½
K. Mart	23⅞	24
Kaiser Alumini'm	20	20⅝
Kaiser Industries	2⅛	2⅛
Revlon	50⅜	50¼
Reynolds Metals	35¾	36¼
Reynolds R.J.	57⅜	56⅞
Rich'son Merrell	22¾	22⅛
Rockwell Inter	36⅝	36¼
Rohm & Haas	36⅞	37
Royal Dutch	67	66⅞
Woolworth	21¾	21⅝
Wyly	4⅝	4⅝
Xerox	57	56¾
Zapata	14⅛	14⅜
Zenith Radio	13⅝	13⅝
U.S. Treas.4% '80	†95	†95
USTreas4¼%75/85	†79½	†79½
U.S. 90-day bills	9.49%	9.41%

BASE LENDING RATES

A.B.N. Bank	13 %
Allied Irish Banks Ltd.	13 %
Amro Bank	13 %
American Express Bk.	13 %
A P Bank Ltd.	13 %
Henry Ansbacher	13 %
Associates Cap. Corp.	14 %
Banco de Bilbao	13 %
Bank of Credit & Cmce.	13 %
Bank of Cyprus	13 %
Bank of N.S.W.	13 %
Banque Belge Ltd.	13 %
Banque du Rhone et de la Tamise S.A.	13½ %
Barclays Bank	13 %
Bremar Holdings Ltd.	14 %
Brit. Bank of Mid. East	13 %
■ Brown Shipley	13 %
Canada Perm't Trust	13 %
Cayzer Ltd.	13 %
Cedar Holdings	13 %
■ Charterhouse Japhet	12½ %
Choulartons	13 %
C. E. Coates	13 %
Consolidated Credits	13½ %
Co-operative Bank	*13 %
Corinthian Securities	13 %
Credit Lyonnais	13 %
The Cyprus Popular Bk.	13 %
Duncan Lawrie	13 %
Eagil Trust	13 %
English Transcont.	13½ %
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	13 %
Greyhound Guaranty	13½ %
Grindlays Bank	‡13 %
■ Guinness Mahon	13 %
■ Hambros Bank	13 %
■ Hill Samuel	§13 %
C. Hoare & Co.	†13 %
Julian S. Hodge	14 %
Hongkong & Shanghai	13 %
Industrial Bk. of Scot.	13½ %
Keyser Ullmann	13 %
Knowsley & Co. Ltd.	14½ %
Lloyds Bank	13 %
London Mercantile	13 %
Edward Manson & Co.	14 %
Midland Bank	13 %
■ Samuel Montagu	13 %
■ Morgan Grenfell	13 %
National Westminster	13 %
Norwich General Trust	13 %
P. S. Refson & Co.	13 %
Rossminster	13 %
Royal Bk. Canada Tst.	13½ %
Schlesinger Limited	13 %
E. S. Schwab	14 %
Security Trust Co. Ltd.	14 %
Shenley Trust	15 %
Standard Chartered	13 %
Trade Dev. Bank	13 %
Trustee Savings Bank	13 %
Twentieth Century Bk.	14 %
United Bank of Kuwait	13 %
Whiteaway Laidlaw	13½ %
Williams & Glyn's	13 %
Yorkshire Bank	13 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 10½%. 1-month deposits 10¾%.
† 7-day deposits on sums of £10,000 and under 10½% up to £25,000 11% and over £25,000 11¼%.
‡ Call deposits over £1,000 10½%.
§ Demand deposits 11%.

Indices

NEW YORK —DOW JONES

	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	Mar. 2	1978-79 High	1978-79 Low	Since Compil'n High	Since Compil'n Low
◆ Industr'ls	842.86	844.85	834.29	826.50	827.36	815.75	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.84	84.76	84.75	84.69	84.47	84.43	89.58 (4/1/78)	84.09 (15/1/79)	—	—
Transport	214.01	213.82	211.73	209.87	211.04	208.58	261.49 (8/9)	189.31 (9/1/78)	279.88 (7/2/69)	12.32 (8/7/32)
Utilities	104.16	104.06	103.59	103.48	103.36	103.11	110.98 (3/1)	97.75 (20/12)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	33,590	32,060	25,880	24,580	25,690	25,190	—	—	—	—

◆ Day's high 851.44 low 840.00

	Mar. 2	Feb. 23	Feb. 16	Year ago (approx)
Ind. div. yield %	6.04	5.95	5.91	6.32

STANDARD AND POORS

	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	Mar. 2	1978-79 High	1978-79 Low	Since Compil'n High	Since Compil'n Low
‡Indust'ls	110.88	110.85	109.57	108.01	109.26	107.94	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	99.54	99.59	98.44	97.87	98.06	96.97	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	Mar. 7	Feb. 28	Feb. 21	Year ago (approx)
Ind. div. yield %	5.17	5.28	5.07	5.55

COMMODITIES and AGRICULTURE

Heavy selling hits copper market

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES fell sharply on the London Metal Exchange as a result of heavy selling on what dealers described as a grossly overbought market.

Cash wirebars closed £34 down at £937.5 a tonne. The decline was accelerated in the afternoon by news that Asarco had cut its producer price in the U.S. by 2 cents to 93 cents a lb—only recently Asarco made history by raising its domestic price to $1 a lb.

Another leading U.S. producer, Phelps Dodge, later announced it had cut its selling price by 5 cents to 90 cents a lb.

U.S. copper producers, still sticking to the producer price system, are now tending to raise and lower their prices to reflect movements in the free market. Nevertheless market sentiment is still affected.

There was, in fact, no fundamental news to account for the decline in prices. Once the fall started it triggered off "stop loss" selling points and this brought further heavy sales, especially by speculators. Dealers say the decline has probably been overdone as a result.

The only hard news yesterday was that copper stocks in the London Metal Exchange warehouses had fallen by slightly more than expected; they were down by 11,125 tonnes cutting total holdings to 281,725 tonnes.

The fall in copper depressed other metals. Cash lead, for example, after reaching a new all-time peak of £611 in the morning declined to £599 a tonne at the close, £4.5 lower on Friday's close.

The market was buoyed up in early dealings by the news that Asarco had declared *force majeure* because of the strike at the Ozark mine. A fall of 775 tonnes in stocks reducing total holdings to 14,450 tonnes—the lowest level since October 1974—took dealers by surprise since a modest increase had been forecast.

Nevertheless the decline in copper was the dominant influence. After the market ceased trading it was announced in New York that a leading U.S. lead producer, RSR Corporation, had raised its domestic selling price for pure lead by three cents to 47 cents a pound.

Tin stocks were down more than expected by 260 tonnes to 1,875 tonnes. As forecast, aluminium stocks fell by 1,000 to 12,775 tonnes and zinc by 800 to 71,150 tonnes. LME silver holdings rose by 250,000 to 21,550,000 ounces.

Tin prices held steady, encouraged by the rise in the Penang market over the weekend. But aluminium and zinc values both fell reflecting the downtrend in copper.

Silver values were sharply lower. The London bullion spot quotation was slightly higher at the morning "fixing" at 355.9p an ounce, but in the afternoon prices fell away and the LME cash price at the close was 347.15p an ounce, 8.1p down on Friday.

Cotton demand estimate raised

WASHINGTON — The International Cotton Advisory Committee has lifted its projection of 1978-79 world cotton consumption to 61.5-62m bales (478 lbs net), from 61-61.5m previously forecast. Consumption in 1977-78 is estimated at 60.5m bales.

The increase will be concentrated in Asia, particularly the Far Eastern countries, the committee said.

At the same time it raised its global production estimate for the current season to 59.8m bales from the 59.7m estimated last month. But this is still some 4m bales below last season.

Encouraged by rising consumption, acreage outside the U.S., according to a recent Agriculture Department survey of planting intentions in major producing countries, will increase by 1-2 per cent over the current season, ICAC said.

Relatively high prices and tightening supplies in relation to demand contributed to higher anticipated sowings, it added.

Assuming a return to normal yields, the report projected the gain in output outside the U.S. at 3-5 per cent, or about 2m bales.

For the U.S., the Agriculture Department survey indicated growers' intentions to plant 13.9m acres to cotton next season, 6 per cent more than the 1978-79 season.

Reuter

Nickel output boost planned

BY OUR COMMODITIES EDITOR

FALCONBRIDGE Nickel Mines announced yesterday it was planning to boost ferro-nickel production in the Dominican Republic.

The company said its subsidiary in Dominica is reactivating a second production line, shut down in January last year, to bring supply pipeline stocks back to normal working level and satisfy customers' requirements.

Falconbridge said its stocks of nickel in all forms at the end of 1978 fell to just over 44m lb from 78.3m lb at the end of 1977. The company said that production had been cut to about 50 per cent of normal capacity last year.

However, its sales of nickel rose from 78.3m to 118.4m lbs. Average selling prices for refined nickel fell to $1.94 a lb again $2.12 in 1977 and ferro-nickel to $1.82 from $2.09 previously. Nevertheless Falconbridge reported a profit of $5.5m in 1978 compared with a loss of $29.2m.

Meanwhile nickel market sources in London are confident that other producers will be quick to follow the price increases of some 10 per cent, announced by the Le Nickel group on Friday.

International Nickel said yesterday it was still studying the situation. There are rumours that Inco may be contemplating an increase in its top-grade nickel prices to a higher level than that announced by Le Nickel, whose main sales are concentrated in ferro-nickel products.

There was little reaction in free-market nickel as dealers waited to see how other producers would react to the Le Nickel increase.

It is generally believed, however, that it is only a matter of time before other producers raise prices too in view of the improving sales of nickel, and the continuing strike at Inco's Sudbury mines.

'No room in Britain for NZ cheese'

BY CHRISTOPHER PARKES

IF THE Common Market wants to make political gestures towards New Zealand, it should make them in the negotiations on future access for butter and not in the cheese market, Mr. John Travers Clarke, president of the Dairy Trade Federation, said yesterday.

The New Zealanders are being offered access for about 8,000 tonnes of cheddar cheese in the current multilateral trade negotiations.

Most of this would come to Britain where it would account for 2½ to 3 per cent of the total market. But, Mr. Travers Clarke said, there is no room for it.

British dairies expanded their cheese-making facilities in anticipation of New Zealand being phased out of the market. They even bought their new plant from New Zealand.

Renewed access for supplies from New Zealand would mean the loss of jobs in the UK industry and lower milk prices for farmers, he said.

Mr. John Owens, director general of the federation, welcomed the impending devaluation of the Green Pound, warning that if inflation continued to grow a further adjustment would "very likely be needed" later this year.

"A devaluation, coupled with Mr. Silkin's insistence that the target price of milk should not increase in this dairying year will reduce subsidies on imported dairy products," he said.

The price of butter could go down if Mr. Silkin succeeded in freezing target prices and the EEC Commission's plans for a new consumer subsidy were approved, Mr. Owens added.

Importers, anticipating the devaluation and the reduction in EEC import subsidies, have begun to increase shipments of butter to Britain. New Zealand agents have started taking stocks out of bonded warehouses before the import levy goes up.

Shortage of logs in Malaysia

By Wong Sulong in Kuala Lumpur

MALAYSIA, the world's biggest exporter of hardwoods, is facing a shortage of logs and the situation could get worse unless the local industry starts reducing waste, Mr. Paul Leong, the Primary Industries Minister, said here yesterday.

Opening the second Malaysian Timber Congress, he said, that like other timber exporting countries, Malaysia was currently facing the dilemma of either maintaining the present rate of logging which would rapidly exhaust the forests, or reduce logging which would cause widespread disruption in the industry.

He said for forest conservation the rate of logging should be reduced from the current 920,000 acres to 330,000 acres per annum.

This would mean that log output in Peninsula Malaysia would fall below 4m cubic metres annually while local mill demand exceeds 7m cu. m.

Mr. Leong said the recent removal of the 15 per cent import duty and 5 per cent surcharge on logs was a reflection of the Government's concern over the log shortage. But in the long run the local industry could ensure its survival by reducing wastage and use more of the less popular logs.

Poor recovery at the mills resulted in an annual loss of 2.8m cu. m. of timber, while a similar amount of the less popular logs was being left to rot in the forests.

Mr. Leong said he was also unhappy at the lack of downstream processing industries, and said there was an urgent need to review the existing policy of merely exporting logs and sawn timber.

Bangladesh may sell more jute

Financial Times Reporter

WASHINGTON — Bangladesh exports of raw jute are expected to rise to 2.5m bales in 1978-79, an increase over the past two seasons, the U.S. Agricultural Department said.

USDA said the higher exports were because of the bumper harvest of 5.5m bales. Output in 1978-79 is expected to rise 19.4 per cent to 6.5m bales.

Raw jute exports were 1.7m bales in 1977-78 and 2.3m in 1976-77.

IRISH AGRICULTURE

How tax system favours farmers

BY STEWART DALBY IN DUBLIN

PUBLIC demonstrations in Ireland over the weekend—protesting against the Irish Government's decision to drop the 2 per cent levy on farm sales only a month after it was introduced in the Budget — reflect the widely-held view that farmers are not paying their fair share of tax.

It is claimed that while the 180,000 farmers in the Republic have been enjoying a bonanza since Ireland joined the EEC they have managed to wriggle out of paying proper rates of tax because they are politically so well organised.

Farm incomes in Ireland are estimated to have risen by 140 per cent in the past five years because of the high prices for dairy products and beef under the Common Agricultural Policy. Mr. Colley, the Minister of Finance, said in his Budget speech the total farm income will be in the order of £900m this year, which means that the average farmer's income will be around £5,000 a year. Before the Republic joined the Common Market a small farmer working about 50 acres would have been lucky to make £1,500.

Farmers pay tax in two ways. First there is the notional system. This is derived on the basis of rateable value, using a multiplier. In the last Budget Mr. Colley lowered the threshold rateable value from £60 to £50 and increased the multiplier from 90 to 125.

The table with this article is based on figures from Paul Tansey, an economic writer on the Irish Times, and shows how the system would work for a farmer with a rateable value of £200 using last year's multiplier of 90.

Under this system the farmer is allowed bank interest as well as normal personal income tax allowances. The really striking feature, however, is the allowance of rates against tax. The table uses a ten to one poundage for rates but this is often 11 to one, the level of tax paid drops to miniscule proportions.

Under the second method farmers draw up a set of accounts and theoretically pay at the PAYE rates. Gross profit is considered to be the amount by which sales exceed purchases, plus any addition to stock levels during the year.

Expenses which can be set against the gross, however, not only include personal allowances, bank interest and rates, but also expenditure on capital equipment, land reclamation or improvement, and the construction of farm buildings.

These allowances often run as high as 100 per cent.

The lowering of the threshold and the increased multiplier is expected to double the amount of income-tax from farmers this year from £8m to £16m. Even with rates and other charges, however, total taxes and rates paid by farmers will still only come to something like £55m.

The 2 per cent levy on farm sales was an attempt to get more revenue from farmers. It was expected that it would bring in £16m. There was an immediate storm of protest from farmers, so the 2 per cent rate was cut by a quarter.

The farmers, who are well organised in two main unions, continued to protest. They argued that since the sales levy was on top, that is at the gross level, it was unfair since it cut heavily into profit margins.

The Government appeared to accept the argument. But there was immediate uproar from PAYE contributors. These include some 800,000 in the industrial and public sectors. They pay income tax at source ranging from 25 to 60 per cent. There were cries that the farmers had again got off the hook. The Government, however, claimed that rescinding the tax was a tactical ploy and that they now have the farmers in a corner. It was pointed out that in return for lifting the tax, the farming organisations have agreed to a plan to find another form of farming taxation before May 1.

The two main points of the plan are that the Government, in consultation with representatives of the farming organisations, will devise a system of income taxation for farmers that will bring in a yield from them in line with that of other sectors of the community. If that system is publicly accepted before May 1 by the farming organisations the Government will not proceed with the levy.

The Government would appear Ireland has few tenant farmers. But it will not be easy to arrive at a new equitable system.

What the notional system disguises is that, unlike Britain, Ireland has few tenant formers.

The basic problem is that—despite appearances to the contrary—the return on capital employed is low, bearing in mind that farming is a highly capital intensive business. Many farmers are now theoretically asset-rich, but only moderately well off in income terms.

The Government will have to decide what it wants to tax—the land as a resource, the farm as an enterprise, even a corporate enterprise, or the farmer as an income earner. The IFA and the other farming organisations will fiercely resist a resource tax because this bears no relation to income.

They will go for income tax, but what they will play down is how easily income can be lost in a farming situation. However, May 1 should be an interesting red letter day.

		£
Gross tax bill	200 x 90	18,000
Less: Wages		5,000
Contractors		2,000
		11,000
Deduct: Bank interest allowed		2,000
Married allowance		1,730
Child allowance		480
Taxable income		6,790
Tax bill at PAYE rate		2,470
Less: Credit for rates		2,000
Net tax bill		470

Australian wool stocks fall sharply

BY OUR COMMODITIES STAFF

THE AUSTRALIAN Wool Corporation sold off nearly a quarter of its stocks during February to keep auction prices from rising too quickly.

By the end of the month the stocks total stood at 750,555 bales compared with 983,455 at the end of January. At the end of February 1977 the corporation held 1.21m bales of wool in its stocks.

Australian wool exports rose 26.2 per cent to 323.12m kilos in the first half (July/December) of the 1978-79 season, the corporation said.

Exports to Japan rose 8.6 per cent to 91.47m kilos while exports to the second-largest purchaser, the USSR, rose 40.6 per cent to 36.06m kilos. A noteworthy feature of the first half was a 143.2 per cent rise to 11.6m kilos in exports to the U.S. Italy was in third place with 28.7m likos, up SS.4 per cent.

The return of good seasonal conditions in Australian wool-growing areas in 1978 should induce a return to a normal clip composition in 1978/79, the Corporation forecast.

This means that compared with the three previous dry seasons a reduction in the proportion of the clip made up of fine wools and an increase in the proportion of coarse merinos and crossbed wools is likely in 1978/79 and subsequent seasons, assuming normal growing conditions continue.

In recent seasons both the total clip size and its composition have undergone considerable change. Consistently below-average rainfall over most wool producing areas in 1975/76 to 1977/78 resulted in a lower protein availability to sheep. Consequently they tended to yield finer wools than usual.

Auction offerings of 21 micron and finer rose dramatically while offerings in the 22 to 30 micron categories fell sharply.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lost further ground on the London Metal Exchange. After moving to £983 on the early pre-market reflecting fresh buying forward metal came under pressure from long liquidation which prompted stop-loss selling below the £970 level. The price dipped to a low of £967 on the morning kerb but with Comex opening roughly in line with London forward material traded around this level prior to closing on the late kerb at £953. Turnover: 25 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	959.5-60	—13	937-8	—34
3 months	975-.5	—12.5	955-.5	—32.5
Settlem'nt	960	—13	—	......
Cathodes				
Cash	952-3	—15	932-4	—34
3 months	967-8	—15	949-50	—32
Settlem'nt	953	—15	—	......
U.S. Smt.	—	......	*87-98	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £960, three months £977, 76, 76.5, 77, 76.5, 76, 75, 74.5, 74, 75. Cathodes, cash £952, three months £969, 68. Kerb: Wirebars, three months £975, 74, 73.5, 73, 72.5, 72, 71, 70, 70.5, 69, 68, 67, 67.5, 68.5, 69. Afternoon: Wirebars, three months £957, 56, 55, 50, 53, 54, 55, 54, 53, 54, 53.5, 56, 55, 56, 55.5, 55, 55.5, 56, 55.5. Kerb: Wirebars, three months £955, 56, 57, 54, 55, 53, 52, 51, 52.

TIN—Barely changed. Forward metal opened higher at £7,250 and edged up to £7,260 on the pre-market reflecting the rise in the Penang market and a larger-than-forecast decline in stocks. However, the downturn in copper coupled with firmer sterling against the dollar prompted profit-taking which saw the price dip to close at £7,200 on the late kerb. Turnover 1,810 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7350-70	+37.5	7290-310	—7.5
3 months	7230-50	+47.5	7210-30	+10
Settlem't	7370	+85	—	......
Standard				
Cash	7320-40	+55	7290-310	—5
3 months	7225-50	+47.5	7200-10	+7.5
Settlem't	7340	+60	—	......
Straits. E.	‡$1948	+27	—	......
New York	—	......	—	......

Morning: Standard, three months £7,240, 20, 30. Kerb: Standard, three months £7,220. Afternoon: Standard, three months £7,200, 10, 15, 10, 7,200. Kerb: Standard, three months £7,205, 20.

LEAD—Slightly firmer for forward material. News that Asarco had declared force majeure on future sales and an unexpected fall in warehouse stocks saw forward metal rise from £546 on the early pre-market to the day's high of £555. However, the fall in copper influenced the lead market and the price eased back to close at £548 on the late kerb after touching £545 at one point. Turnover: 14,175 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	610-1	+10	598-600	—4.5
3 months	562-3	+16	545-6	+2.75
Sett'ment	611	+10	—	......
U.S. Spot	—	......	44	......

Morning: Cash £612, 11, three months £550, 51, 52, 51, 52, 53, 54, 51, 52, 53. Kerb: Cash £610, three months £551, 50, 49, 47, 49. Afternoon: Three months £547, 48, 46, 47, 48, 47, 46, 45. Kerb: Three months £545, 48, 47, 48, 47, 49.

ZINC—Lower in quiet trading. Forward metal moved up to £396 on the pre-market owing to the initial strength of copper and the buoyancy of lead; but a sharp decline in the former prompted profit-taking in zinc with forward metal falling back to close at £384.5 on the late kerb. Turnover: 10,675 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	376.5-7	—4	373-4	—7.5
3 months	388.5-9	—3.75	385-7	—6.25
S'ment	377	—4	—	......
Prim.west	—	......	36.5-7.5	......

Morning: Three months £391, 90, 88, 89.5, 89. Kerb: Three months £386, 87. Afternoon: Cash £374, three months £385, 86, 85.5, 85, 85.5, 86. Kerb: Three months £388, 87, 84.

ALUMINIUM—Lost ground influenced by the fall in copper. After trading around £740 on the pre-market forward material dropped to £727 before recovering to close at £728.5 on the late kerb with the market steady at the lower levels. Turnover 2,750 tonnes.

Alumin'm	a.m. Official	†+ or —	p.m. Unofficial	†+ or —
	£	£	£	£
Spot	736-8	—7.5	728-30	—18
3 months	736-7	—4.5	728-9	—17

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £738, 36, 35, 36. Kerb: Three months £734. Afternoon: Three months £730, 34, 34.5, 34, 33, 32, 28, 27, 28. Kerb: Three months £729, 28, 30, 29.

SILVER

Silver was fixed 0.7p an ounce higher for spot delivery in the London bullion market yesterday at 355.9p. U.S. cent equivalents of the fixing levels were: spot 726.4c, up 1.7c; three-month 741.3c, up 2.2c; six-month 757.9c, up 2.9c, and 12-month 788.6c, up 11.5c. The metal opened at 353.3-355.3p (721-725c) and closed easier at 348-350p (710-714c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	355.9p	+0.7	347.15p	—8.1
3 months	364.5p	+1.1	355.85p	—5.75
6 months	373.2p	+1.1	—	......
12 months	320.2p	+6.1	—	......

LME—Turnover 516 (156) lots of 10,000 ozs. Morning: Three months 364.5, 4.2. Kerbs: Three months 364. Afternoon: Three months 355, 54.5, 53, 3.5, 53, 2.8, 53, 3.7, 54, 54.1, 4.2, 56.5, 56, 55.8, 5.5, 5.4, 5.8, 56, 6.1, 56, 55.9. Kerbs: Three months 356.3, 6.1, 56, 55.8, 5.5, 5.2.

COCOA

Prices traded within a narrow range throughout a quiet and lacklustre day, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1718.0-20.0	—5.0	1720.0-1700
May	1749.0-50.0	—4.5	1752.0-1735
July	1748.0-50.0	+6.0	1761.0-1735
Sept	1781.0-65.0	+8.0	1762.0-1749
Dec	1813.0-14.0	+7.0	1813.0-1802
March	1842.0-47.0	+16.0	1840.0-1835
May	1863.0-70.0	+11.0	—

Sales: 1,723 (4,183) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound). Daily price March 9, 158.30 (157.71). Indicator prices March 12: 15-day average 159.75 (160.02); 22-day average 159.82 (159.63).

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 598 tonnes. A larger demand was encountered with extended support in some specialist qualities. The call for American-type styles continued on a broader scale.

COFFEE

After expecting a slightly higher opening London coffee futures drifted lower as trade selling proved prominent early on, reported Drexel Burnham Lambert. In the afternoon values remained locked in the recent price range throughout but a late rally gave inspiration towards a steady close. Prices finished ???? down.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1451-1452	—2.0	1452-1441
May	1460-1461	—1.5	1465-1449
July	1465-1467	—1.0	1468-1460
September	1467-1468	—4.0	1468-1463
November	1464-1465	—2.5	1465-1461
January	1455-1456	—9.5	1456-1445
March	1442-1448	—6.0	1445-1438

Sales: 3,283 (7,458) lots of 5 tonnes.

ICO Indicator prices for March 9 (U.S. cents per pound): Colombian Mild Arabicas 137.00 (136.00); unwashed Arabicas 136.00 (same). Robustas ICA 1968 135.50 (same); Robustas ICA 1976 135.00 (same); other Mild Arabicas 132.17 (131.33). Composite daily average 128.40 (128.11).

GRAINS

LONDON FUTURES (GAFTA)—Old crop wheat opened 20p down and fell a further 30p on commercial selling before trade buying and short covering allowed prices to rally 35p at which level further commercial selling caused values to drop again, a trend which continued in the afternoon, prices finishing 55p-80p down. Old crop barley followed a similar pattern finishing 50p down. New crops ended the day 5p down to 15p up seeing little movement, reports Acli.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Mar	96.00	—0.80	93.05	—0.50
May	98.45	—0.55	94.85	—0.80
Sept.	92.10	....	85.45	+0.05
Nov.	95.15	....	88.75	....
Jan	98.95	+0.05	92.55	+0.15

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent April-May 88.75, May 82.50, June 82, transhipment East coast. US Hard Winter 13½ per cent March 88.25 transhipment East coast. EEC unquoted: Maize: U.S. French March 109.50, April 110.50 transhipment East coast. S. African White unquoted. S. African Yellow April 71.50 UK. Barley: English feed fob March 97.50, East coast.

EEC IMPORT LEVIES—The following EEC levies and premiums are effective for March 13 in order of current levy plus April, May and June premiums (with previous in brackets). All in units of account per tonne. Common Wheat: 84.31, nil, nil, 5.63 (84.31, nil, nil, 6.54). Durum Wheat: 131.52, 0.82, 0.82, 0.92 (131.52, 1.42, 1.42, 1.42). Rye: 86.61, 0.61, 0.61, 0.61 (86.61, 0.61, 0.61, 0.61). Barley: 91.22, rest nil (91.22, rest nil). Oats: 86.91, rest nil (86.91, rest nil). Maize (other than hybrid for seeding) 79.43, rest nil (79.43, 0.52, 0.52, 0.52). Buckwheat: 4.72, rest nil (4.72, rest nil). Millet: 79.81, rest nil (79.81, rest nil). Grain Sorghum: 82.05, 3.04, 3.04, 3.04 (82.85, 3.04, 3.04, 3.04). Flour Levies: Wheat or Mixed Wheat and Rye Flour: 129.82 (129.82). Rye Flour: 133.03 (133.03).

HGCA—Average UK farm spot prices for week ending March 8: Other milling wheat £96.50 (+0.70) a tonne; feed wheat £95.10 (+1.00); feed barley £91.50 (+1.30); malting barley £94.40 (+1.60).

RUBBER

EASIER opening on the London physical market. Little interest throughout the day, closing on a dull note. Lewis and Peat reported the Malaysian godown price was 249 (250) cents a kilo (buyer, April).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
April	57.00-57.10	57.95-58.05	57.00
May	57.90-57.95	58.85-59.05	—
Apr-Jne	57.90-57.95	59.00-59.05	58.30-57.60
Jy-Sept.	60.80-60.95	61.95-62.00	62.10-60.50
Oct-Dec	62.90-62.95	64.00-64.05	64.00-62.60
Jan-Mar	64.95-65.00	66.05-66.15	66.10-64.85
Apr-Jne	67.00-67.15	68.15-68.25	66.85-66.75
Jy-Sept.	69.05-69.10	70.25-70.30	70.00-68.90
Oct-Dec	71.10-71.15	72.25-72.30	72.00-71.05

Sales: 506 (354) lots of 15 tonnes and 5 (20) at 5 tonnes.

Physical closing prices (buyers) were: Spot 56.5p (57.75); April 58.75p (59.25); May 59.25p (59.75).

SOYABEAN MEAL

The London market opened easier due to a stronger sterling. On thin trade the market moved 70p lower during the morning session, reported T. G. Roddick. During the afternoon, prices drifted to stabilise around £1.20 down and the market closed with losses of 40p to £1.80.

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
April	124.50-24.6	—0.2	124.40-124.00
June	125.50-25.6	—1.2	126.60-125.20
August	127.00-27.1	—1.8	128.10-127.10
October	126.70-27.0	—1.45	127.40-127.00
December	126.50-26.7	—0.85	127.50
February	127.20-27.5	—0.9	128.00
April	127.00-29.0	—0.75	—

Sales: 104 (131) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £103.00 (£104.00) a tonne cif for March-April shipment. White sugar daily price was fixed at £104.00 (£104.50).

Scattered long liquidation developed at the opening when prices were some 50 points below pre-weekend levels. Thereafter, however, quotations were little changed throughout the day, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	107.15-07.20	108.50-08.40	08.60-07.00
Aug	111.00-11.10	112.30-12.35	12.60-10.80
Oct.	115.75-15.80	116.10-16.20	15.45-15.50
Dec	116.85-16.75	117.80-18.00	18.15-16.50
March	121.10-21.25	122.65-22.75	22.50-21.00
May	125.55-25.50	125.30-25.70	25.75-25.25
Aug	128.10-26.50	128.00-28.50	—

Sales: 1,679 (2,273) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £170.00 (£172.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for March 9: Daily 8.55 (8.48); 15-day average 8.55 (8.53).

WHITE SUGAR—Close (in order buyer, seller, business, sales). April 101.00, 102.00, 102.50-102.00, 58; July 107.00, 107.50, 107.50, 43; Sept. 112.20, 112.75, 112.5-112.30, 1; Nov. 116.40, 116.60, 119.25-116.50, 21; Feb. 123.60, 124.60, 125.00, 7; April 129.00-130.00, 129.50, 7; July 132.00, 135.00, nil, nil. Sales: 146.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 54.0 to 59.0. Eire hindquarters 66.0 to 68.0, forequarters 42.0 to 44.0.

Veal: English fats 62.0 to 78.0. Dutch hinds and ends 86.0 to 96.0.

Lamb: English small 58.0 to 66.0, medium 56.0 to 62.0, heavy 54.0 to 58.0.

Pork: English, under 100 lb 36.5 to 45.5, 100-120 lb 35.5 to 43.5, 120-160 lb 34.0 to 42.0.

MEAT COMMISSION—Average fatstock prices at representative markets week ending March 13. GB cattle 72.22p per kg l.w. (+0.27). UK sheep 150.8p per kg est. d.c.w. (−2.8). GB pigs 61.1p per kg. l.w. (−0.4). England and Wales—Cattle numbers down 10.6 per cent, average price 72.59p (+0.36). Sheep down 13.2 percent, average price 151.1p (−3.1). Pigs down 0.7 per cent, average price 61.0p (−0.4). Scotland: Cattle numbers down 2.3 per cent, average price 71.07p (+0.06) Sheep down 39.8 per cent, average price 148.7p (−2.2). Pigs down 12.7 per cent, average price 63.8p (+0.4).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Lemons—Italian: 120s 4.40-4.50; Cyprus: Trays 3.00-3.60, cartons 126/180s 4.00-6.00; Spania: Trays 30/40/45 1.80-2.00; Jaffa: 125 4.90. Oranges—Spania: Navels 3.50-4.30, Bloods 3.50-3.70; Israeli: Shamouti 4.40-5.30; Cyprus: 3.30-4.30; Moroccan: Hamlins 4.00. Ortaniques—Jamaican: 46/128 6.50-8.50. Wilkins—Spania: 4.00-4.50. Grapefruit—Cyprus: 2.50-4.00; Israeli: Jaffa 27/88 3.45-4.25. Apples—French: Golden Delicious (40-lb) 138/175s 3.30-4.50, (20-lb) 72s 2.10-2.20, 84s 1.60-1.90; Granny Smith (40-lb) 138/163 4.50-5.00, (20-lb) 72s 2.90-3.00, 84s 2.40-2.50, (jumble pack) per pound 0.08-0.10. Stark Crimson (40-lb) 138/198s 4.00-5.60, (20-lb) 84s 1.80-2.20, 72s 2.40-2.50, (jumble pack) per pound 0.07-0.08; Starking Delicious (40-lb) 150/175s 3.60-5.50; Hungarian: Starking Delicious 40-lb 5.20. Pears—Per pound, Italian: Passacrassane 0.13; S. African: Williams Bon Chretien 5.70, Beurre Bosc 5.00. Plums—S. African: Per pound Gaviotas 0.40-45, Red Ace 0.28-0.28. Bananas—Jamaican: Per 28-lb 3.60-3.90. Pineapples—S. African: 10/11s 3.60-4.00; Ivory Coast: each 0.40-0.90. Grapes—S. African: Cartons, Ben Hannah 5.50, Alphonse 6.00, Waltham Cross 5.00. Strawberries—Per 8 oz Israeli: 0.50-0.56; Spanish: 0.50. Avocados—Israeli: 3.80-4.40. Melons—Spanish: Green 15 kilo boxes 12/15s 11.00; Chilean: white 15 kg 7.00; Peruvian: Green 12/15 10.00; S. African: 25 kg boxes white 8.00, small boxes 4.00. Onions—Spanish: 5.20-5.50; Dutch: 2.20; S. African: 28-lb 1.70-2.30. Tomatoes—Canary: 3.30-4.50. Cucumbers—Canary: 10/16s 1.60-2.30; Dutch: 12/16s 3.30-3.50. Cauliflowers—French: 24s 9.50; Jersey: 9.00. Lettuce—Dutch: 24s 4.40; French: 12s 2.40. Celery—Spanish: 15/36s 4.80-5.20; Florida: 24s 4.80, 36s 6.25. Cabbages—Dutch: White, net 4.20-4.50. Potatoes—Italian: Boxes 9-kg 2.80; Canary: 25-kg 7.50-8.00. Capsicums—Canary: 5-kg 5.20-5.50; Cuban: 4.50.

English Produce: Potatoes—Per 25-kg 1.60-2.20. Lettuce—Per 12 round 2.20-2.40. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley 0.05-0.11; Cox's Orange Pippin 0.08-0.16; Spartan 0.06-0.10; Laxtons 0.05-0.07. Pears—Per pound Conference 0.10-0.15, Comice 0.18-0.22. Cabbages—Per net 4.00-4.50. Beetroot—Per 28-lb 0.80-0.90. Carrots—Per 28-lb 0.80-1.20. Onions—Per 28-lb 1.20-2.40. Rhubarb—Per pound 0.18-0.19. Swedes—Per 28-lb 0.80-1.00. Turnips—Per 28-lb 0.70-0.90. Parsnips—Per 28-lb 1.00-1.20. Sprouts—Per pound 0.15-0.20. Cucumbers—Tray 12/18s 3.00-3.60. Tomatoes—Per pound 0.40-0.50.

PRICE CHANGES

In tonnes unless otherwise stated.

	Mar. 12 1979	+ or —	Month ago
Metals			
Aluminium	£710	....	£710
Free Mkt (cs)	$1,475/85	....	$1,350/60
Copper			
Cash w'bar	£937.5	—34.0	£956
3 mth	£955.25	—32.5	£972.75
Cash Cathode	£953	—34.0	£943
3 mth	£949.5	—32.0	£959.25
Gold troy oz	$237.875	—2.0	$244.75
Lead cash	£599	—4.5	£517.75
3 mth	£545.5	+2.75	£487.5
Nickel	£2320.69	....	£2,320.69
Freemkt(cif)(lb)	$2.08 / 2.10	—.002	$1.78 / 1.92
Platin'm tr'y oz	£164.5	....	£164.5
Free mkt	£188.7	+1.5	£206.6
Quicksilver	$230/40	....	$210/20
Silver troy oz	355.9p	+1.9	366.4p
3 months	364.5p	+1.1	378p
Tin cash	£7,500	—5.0	£7,230
3 mths	£7,205	+7.5	£7,180
Tungsten	$134.1	....	$134.14
Wolfrm 22.04 cif	$139/46	....	$119/24
Zinc cash	£373.5	—7.5	£403.75
3 months	£386.5	—6.25	£415.75
Producers	$800	....	$760
Oils			
Coconut (Phil)	$1,000r	—10.0	$1,005
Groundnut	‡		‡
Linseed Crude	£408	+10.0	£380
Palm Malayan	$655r	....	$694
Seeds			
Copra Philip	$680s	—5.0	$700
Soyabean (U.S.)	$309w	—6.6	$307.45
Grains			
Barley Futures	£94.85	—0.5	£92
Maize			
French No 3 Am	£109.5	—0.5	£109
Wheat			
No. 1 Red Spg	‡		‡
No2 Hard Wint	£88.25	....	£89.25
Eng. Milling t	£98	....	£96
Other commodities			
Cocoa ship't	£1,780	—5.0	£1,839
Future May	£1,749.5	—4.5	£1,838.5
Coffee Ft'r May	£1,460.5	—1.5	£1,326.5
Cotton 'A' Index	75.95c	....	76.5c
Rubber kilo	56.5p	—1.25	60.5p
Sugar (Raw)	£103	—1.0	£100
Wooltp's 64s kl	286p	....	269p

* Nominal. † New crop. ‡ Unquoted. p April-May. q May-June. r May. s June-July. v March-April. w April. x Per ton. z Indicator. § Buyer.

AMERICAN MARKETS

NEW YORK, March 12: Cocoa—March 150.75 (150.10), May 152.85 (152.20), July 154.50, Sept. 156.00, Dec. 158.00, March 159.75, May 160.75. Sales 744.

Copper—March 85.10 (85.80), April 85.55 (86.30), May 86.30, July 86.70, Sept. 87.00, Dec. 87.40, Jan. 87.50, March 87.75, May 88.00, July 88.25, Sept. 88.50, Dec. 88.80, Jan. 88.90.

Potatoes (round whites)—Nov. 61.2-62.0 (61.2). March 69.0-70.5 (68.3), April nil, May 83.0-83.5. Sales 485.

*Silver—March 709.70 (728.20), April 713.70 (730.20), May 718.50, July 727.30, Sept. 736.20, Dec. 749.50, Jan. 753.90, March 762.70, May 771.60, July 780.50, Sept. 789.50, Dec. 803.00, Jan. 807.60. Handy and Harman spot bullion 711.50 (728.00).

CHICAGO, March 12. Lard—Chicago loose 26.00 (25.50). New York prime steam not available (27.50 traded).

‡‡Maize—March 237-237¼ (239), May 244¾-244½ (246), July 247½-247¾, Sept. 250¾, Dec. 255½-255¾, March 263½.

Plywood—March 208.0 (206.7), May 207.5 (206.6), July 207.6, Sept. 205.8, Nov. 202.5-202.6, Jan. 202.8 bid, March 203.0.

Shell Eggs—March 67.70-62.10 (66.20), April 54.60 (55.00), May 52.30, June 54.20 asked, Sept. 62.60, Nov. nil, Dec. 64.00. Sales 178.

‡Soyabeans—March 731½-732 (739½), May 746½-749 (754), July 755-756½, Aug. 750, Sept. 718, Nov. 699½-700, Jan. 708½, March 719.

‖Soyabean Meal—March 191.20-191.00 (193.80), May 196.20-196.70 (198.70), July 199.30-199.50, Aug. 199.80-199.30, Sept. 196.50, Oct. 192.70, Dec. 193.00-192.70, Jan. 193.00, March 195.00.

Soyabean Oil—March 26.68-26.80 (26.88), May 26.80 (27.07), July 27.00-26.95, Aug. 26.80-26.85, Sept. 26.15, Oct. 25.35, Dec. 25.00-24.95, Jan. 24.85, March 24.80, May 24.65-24.80.

‡Wheat—March 379-379½ (386½), May 347½-348½ (354), July 323½-322½, Sept. 327¾, Dec. 337½, March 346½.

WINNIPEG, March 12. §Rye—May 105.90 (107.50), July 106.00 (106.00 asked), Oct. 104.90 bid, Dec. 104.30 bid.

§Barley—March 81.10 (81.50 bid), May 80.90 (81.00-81.10), July 80.60, Oct. 82.90 bid, Dec. 82.70 bid.

§Oats—March 80.70 bid (80.20 bid), May 80.20 bid (79.30), July 78.50, Oct. 81.90 bid, Dec. 81.00 asked.

§Flaxseed—May 340.00 bid (343.90 bid), July 332.60 bid (336.20), Oct. 326.60, Nov. 321.00 asked, Dec. 318.00.

EUROPEAN MARKETS

PARIS, March 12. Cocoa (FFr per 100 kilos). March 1456/1470, May 1470/1475, July 1470 bid, Sept. 1515/1519, Dec. 1525/1545, March 1530 bid. Sales at call: 3. Accumulative total: 36.

Sugar (FFr per 100 kilos). May 891/894, July 909/913, Aug. 932/934, Oct. 973/980, Nov. 970/980, Dec. 1000/1015, March 1040/1050, May 1055/1068. Sales at call: nil.

● Commodity market coverage in these columns is being extended to include French sugar, cocoa, coffee, soyabean meal and wool market closing prices. More U.S. futures markets will also be covered including silver, live cattle, hogs, eggs, pork bellies and plywood from Chicago and orange juice and potatoes from New York.

INDICES

FINANCIAL TIMES

Mar. 9	Mar. 8	M'nth ago	Year ago
273.67	271.79	269.58	232.86

(Base: July 1, 1952=100)

MOODY'S

Mar. 9	Mar. 8	M'nth ago	Year ago
1067.3	1073.9	1033.7	896.3

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 9	Mar. 8	Month ago	Year ago
Spot	381.25	382.02	384.81	357.21
F'tur's	386.24	387.96	383.16	339.93

(Average 1924-25-26=100)

REUTERS

Mar. 12	Mar. 9	M'nth ago	Year ago
1542.1	1548.8	1532.3	1385.8

(Base: September 18, 1931=100)

Boom in equities continues although at slower pace

30-share index gains 3.9 to 519.3—Gilts well above lowest

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 26	Mar. 8	Mar. 9	Mar. 20
Mar. 12	Mar. 22	Mar. 23	Apr. 3
Mar. 26	Apr. 5	Apr. 6	Apr. 18

* "New time" dealings may take place from 9.30 am two business days earlier.

Business in the equity sections of stock markets yesterday continued on an impressive scale. Following the burst of activity and the sudden upsurge in values which erupted after-hours on Friday, dealers had expected to find loose stock offered at the opening despite a favourable weekend Press. Instead, further investment buying developed with fresh institutional demand easily off-setting profit-taking sales.

A slightly confusing start in the Gilt-edged market at 10 am set off some nervous selling in leading industrials, mainly reflecting profit-taking by professionals who had figured in last Thursday's and Friday's buying for new-time; some public holders were also selling first-line stocks but chiefly for immediate re-investment in secondary issues.

The latter fared particularly well with double-figure gains commonplace in many areas and the FT-Actuaries All-share index went on to a new record level of 258.84, a rise of one per cent more. Official markings, the only immediate if not the most accurate guide to the day's activity, rose to 8,950 the highest for over 18 months.

Slightly easier at the 11 am calculation, the FT-share index moved progressively higher and closed a net 3.9 up at the day's best of 519.3 to extend its rise over the past five trading sessions to 34.7. Of the index constituents, Lucas Industries, John Brown, Turner and Newall and Vickers were notable with gains of between 5 and 8, while Beecham actually settled easier on balance.

The extent of an early mark-down in British Funds varied between dealers, but falls ranging to ¾ emerged among the longer maturities before demand was attracted which reduced the losses to ¼. Similar conditions prevailed in a more orderly short market where falls extended to ⅜ prior to the later recovery. Selected low-coupon issues went higher following small interest in a restricted market.

Rates for investment currency hardened in the later trade following demand for the purchase of overseas securities and the premium closed 1⅞ points higher at 82¼ per cent. Yesterday's SE conversion factor was 0.7037 (0.7114).

Active conditions prevailed in the Traded Option market and by the close 3,118 contracts had been completed, only 59 fewer than last Friday's record of 3,177. Cons. Goldfields were particularly favoured, recording 456 deals, while GEC and Courtaulds totalled 392 and 266 deals respectively.

Caledonian Holdings firmed 5 to 161p compared with London and Midland Industrial's latest cash offer of 162p.

Merchant Banks firm

Merchant Banks claimed most of the attention in a quiet banking sector. Leopold Joseph rose 18 to 173p on buying in a thin market, while improvements of 7 and 8 respectively were recorded in Wintrust, 99p, and Hambros, 213p.

Willis Faber moved against the trend in Insurances, falling 5 to 246p on nervous offerings ahead of next Tuesday's results. Royals rose 10 to 423p with the help of a broker's circular, while GRE gained 8 to 262p following news that the group is raising car premiums by an average 12 per cent next month.

Actively traded building issues featured Johnson-Richards Tiles which jumped 19 to 149p following the Monopolies Commission clearance for both the proposed merger with Armitage Shanks, down 4 at 76p, or the unwanted bid from Norcros, 3 off at 89p; news that the latter's offer worth around 154p per share had become unconditional made no apparent impact. Contracting and Constructions usually consolidated Friday's sharp gains, while in Cements, RMC, 156p, and Rugby Portland, 80p, added 5 apiece, the latter aided by news of a second interim increase in cement prices. Cement Roadstone were quoted at 114p ex all, the new nil paid shares resulting from the rights issue closed at 28p premium. Buying in a thin market prompted a gain of 8 to 150p in Marshalls Halifax. Elsewhere, Parker Timber touched 147p awaiting the interim results, but shaded on the statement to close 11 up on balance at 143p. In a restricted market, Travis and Arnold pushed up 15 to 206p. Marley were briskly traded and added 4 for a two-day rise of 12 to 97p.

A touch easier at the outset, ICI eased to 400p on small selling before fresh demand brought a net gain of a penny at 405p. Among other Chemicals, buyers came in for Coates Brothers which firmed 5 to 81p. Alginate rose 10 to 310p; news that talks are in progress with FMC which may lead to an offer came well after market hours.

Stores started the new Account in buoyant mood. Secondary issues were particularly favoured and MFI Furniture rose a further 15 to 390p, after 395p, ahead of the forthcoming reorganisation. In first day's dealings ex the 400 per cent scrip issue, Status Discount jumped 11½ more to 82p, after 84p, ex the share split. Improvements of 13 and 15 respectively were seen in A. G. Stanley, 248p, and Forminster, 145p, while Bambers added 10 to 192p as did Currys, to 190p, and NSS Newsagents, to 130p. Of the firm leaders, Gussies A stood out with a rise of 12 to 380p and British Home gained 9 to 222p. By way of contrast, William Mowat fell 6 for a two-day reaction of 11 to 42p following news that Harvard Securities has acquired a shareholding in the company. After Friday's Press-inspired gain of 7, Booth International added 7 more to 66p. Elsewhere in Shoes, Stylo put on 5 to 93p and Lambert Howarth hardened 2 to 59p; the latter's results are due today.

Considerable activity was seen in the Electrical leaders, particularly during the first hour or so of business. Inclined easier initially, EMI picked up to close 3 to the good at 125p helped by a Press report that negotiations are well advanced for the sale of 38 of its restaurants to Bejam. GEC ended only a few pence cheaper at 383p, after last Friday's jump of 19. Secondary issues made another good showing, but some of the gains partially reflected last Friday's late advance. Wholesale Fittings, 315p, and Unitech, 224p, rose 15 and 10 respectively, while Audio Fidelity were noteworthy for a further improvement of 8 to 58p. Eurotherm firmed 5 to 325p and Kode improved 8½ to 236p xd. Against the trend, AB Electronic encountered profit-taking and gave up 8 to 200p and Racal eased 6 to 440p.

Buyers eventually gained the upper hand in the Engineering leaders, with Tubes making further progress at 394p, up 6. John Brown put on a similar amount to 484p, while a fair amount of interest was shown in Vickers which improved 5 to 190p. Quite a lively trade developed in secondary issues. Demand persisted for British Aluminium, up 20 more at 995p, while Hall Engineering put on 6 to 125p awaiting Friday's preliminary results. CompAir advanced 8 to 87p and similar rises were marked against Amalgamated Power, 136p, Williams and James, 190p, and Molins, 158p. A brisk demand developed for Laird Group, 6½ to the good at 112p, while Newman Tonks also found support and gained 4 to 76p. Press comment stimulated scattered buying interest in Yarrow which improved 8 to 355p.

The Food sector attracted notable attention and Associated Dairies stood out at 270p, up 12. Weekend Press comment helped Louis C. Edwards to rise 6 to 42p.

Initial Services good

Secondary issues provided the main focal points in miscellaneous Industrials. Initial Services jumped 11 to 118p on the announcement that the group has sold its two loss-making French subsidiaries, while Pentos added 12 to 142p following the favourable results and capital proposals. Weber Holdings added 20 to 160p in a restricted market and gains of between 12 and 18 took in Beatson Clark, 227p, De La Rue, 440p, Diploma Investments, 278p xd, Kennedy Smale, 60p, Sale Tilney, 167p, and Silentnight, 120p. Down 19½ late on Friday following the disclosure of a major discrepancy at its Greenbat subsidiary, Fairbairn Lawson rallied 4 to 44p. Dixor hardened 3 to 51p on the results. The leaders continued to make progress apart from recent high-flier Beecham, which met profit-taking to close 6 easier at 702p, after 700p. Pilkington rose 13 to 350p, after 353p, and Reckitt and Colman put on 7 to 517p and Unilever 6 to 640p.

News that Coral Leisure's 6 per cent stake in the company had been placed with institutions prompted a gain of 3½ to 90½ in Associated Leisure. Fresh buying lifted Saga 9 to 244p.

In Motors, Rolls-Royce firmed 2¼ to 100¼p in response to annual profits at the higher end of market estimates and the reduced half-time loss lifted H. Young 5 to 23p. Press comment prompted a gain of 6½ to 68p xd in Lookers.

Oils steady

Ahead of Thursday's annual results, William Collins added 6 to 162p and the A improved 5 to 160p. Elsewhere in Newspapers and Publishers, fresh consideration of the recent results lifted Bristol Evening Post 8 to 138p. Weekend Press comment prompted a gain of 6 to 27p in Bertrams and a rise of 13 to 133p in Melody Mills.

Profit-taking clipped a penny or so from most leading Properties, but Capital and Counties attracted fresh demand and added 3½ to 82p. Weekend Press comment prompted a gain of 5 to 122p in Samuel, while acquisition news lifted Rush and Tompkins 8 to 130p. Daejan were again wanted at 165p, up 8, as were C. H. Beazer which gained 6 to 80p.

Leading Oils saw a reasonable two-way trade and, after fluctuating within narrow limits, prices closed with small gains on balance. British Petroleum ended 2 to the good at 1,118p and Shell closed a like amount dearer at 700p. Among secondary issues, persistent demand lifted Burmah 8 to 104p.

Press suggestions that Gulf Fisheries, the Arab concern which tried unsuccessfully last week to put two of its members on the Board of Lonrho, may launch a bid for the 79 per cent of the company's shares it does not already own, sparked off speculative buying of Lonrho which jumped 8 to 76p. This in turn, prompted a rise of 7 to 160p in associated concern, House of Fraser. Elsewhere, Jamaica Sugar put on 5½ to 17½p on speculative support.

Trusts moved ahead on a broad front, with Camelia outstanding at 370p, up 25, in response to Press mention. Press comment was also responsible for a jump of 28 to 188p in Robert Kitchen Taylor.

Scattered support was forthcoming for Textiles where Nottingham Manufacturing were particularly good at 144p, up 8. F. Miller put on 4 to 55p and Dawson International 5 to 116p, while Hield Bros. advanced 2½ to 13½p in smaller-priced issues. In contrast, Sidlaw eased a penny to 91p following the first-half profits warning.

Plantations were notable for a rise of 9 to 149p in Warren and an improvement of 15 to 275p in Sogomana.

Further gains in Golds

Mining markets made a bright start to the week with overseas registered issues helped by a strengthening in the investment premium and South African stocks additionally boosted by the further rise in the Financial Rand.

Golds attracted a good demand throughout the day with buying interest reported from London and Johannesburg, despite the uncertain trend in the bullion price, finally $2 lower at $238.875 per ounce.

Prices reached the day's best levels prior to the New York opening and thereafter eased fractionally but still closed showing fairly substantial gains. The Gold Mines index, 6.5 up at 170.4, moved ahead for the fourth successive trading day; the ex-premium index was 4.5 better at 119.9.

Widespread improvements in South African Financials reflected the tone in Golds. "Amcoal" responded to continued heavy and persistent Johannesburg buying which left the shares 90 better at a 1978-79 high of 900p.

London-registered Financials, which have lagged behind the recent strong rise in the equity market, made good progress. New highs for 1978-79 were seen in Selection Trust, 20 up at 540p, Gold Fields 5 firmer at 216p, and Rio Tinto-Zinc, 3 harder at 313p. Charter added 6 at 167p.

Diamond exploration stocks were outstanding in Australians. Haoma Gold rose 5 to 40p while Samantha Exploration gained 4 to 48p, the latter following the deal with Western Selcast and MIM Holdings.

Tins were marked up reflecting the improved profits and increased dividend declarations from Ayer Hitam, 10 better at 395p, and Southern Malayan, 15 firmer at a 1978-79 high of 400p.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 20	Mar. 5	May 17	May 30
Mar. 6	Mar. 19	May 31	Jne. 12
May 20	Apr. 2	Jne. 14	Jne. 26

For rate indications see end of Share Information Service

Money was given for the call of Wm. Press, Siebens (UK), Hunting Petroleum, Grand Metropolitan, Burmah Oil, Lonrho, Boots, Premier Consolidated, Fitch Lovell, Ultramar, ICI, Marley, Reliance Motor, Holt Lloyd, London and Northern, Sandhurst Marketing, EMI, Carless Capel, Sears, MFI Furniture, Cosalt, Royco, United Dominions Trust, Coral Leisure, Barker and Dobson, Beecham, Blue Circle, Status Discount, Marshall Cavendish and Charterhall. British Petroleum and Lloyds Bank were dealt in for the put, while double options were arranged in Sandhurst Marketing and Capital and Counties Property.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	950	182	1	198	—	214	1	1118p
BP	1000	132	3	160	—	176	—	"
BP	1050	82	10	120	—	142	1	"
BP	1100	44	51	90	6	108	—	"
Com. Union	140	33	3	34	1	36	—	171p
Com. Union	160	13	27	17	14	22	—	"
Com. Union	180	5	133	9	40	13	—	"
Cons Gold	180	42	104	44	9	50	—	215p
Cons Gold	200	23	37	31	113	38	—	"
Cons Gold	220	9	124	20	65	25	4	"
Courtaulds	100	18	1	20	—	20½	—	116p
Courtaulds	110	10	19	12½	—	14½	—	"
Courtaulds	120	4	102	5½	16	10	12	"
Courtaulds	130	1½	67	4	—	49	—	"
GEC	300	88	1	99	—	107	—	382p
GEC	330	58	8	73	—	82	1	"
GEC	360	31	49	50	9	60	24	"
GEC	390	15	203	31	97	43	—	"
Grand Met	100	46½	—	48½	30	50	—	145p
Grand Met	110	35½	3	38½	10	40	—	"
Grand Met	120	16	74	22½	4	26	34	"
Grand Met	140	9½	88	16½	54	20	2	"
ICI	330	81	25	91	18	98	—	406p
ICI	360	52	3	62	5	70	—	"
ICI	390	21	65	40	95	47	5	"
ICI	420	5½	60	20	149	28	—	"
Land Secs	240	53	—	57	5	65	—	287p
Land Secs	260	33	8	40	—	48	—	"
Land Secs	280	18	6	25	1	34	3	"
Land Secs	300	5	56	14	2	20	—	"
Marks & Sp	80	25	2	27	—	28	—	103p
Marks & Sp	90	16	21	18	49	21	—	"
Marks & Sp	100	8	95	10½	8	13	—	"
Shell	600	108	—	122	5	137	—	702p
Shell	650	58	15	85	—	95	43	"
Shell	700	26	55	58	33	65	18	"
Totals			1,506		863		172	
		May		August		November		
BOC Intl.	80	3	17	5	—	7	—	76p
Boots	200	30	39	34	—	41	—	222p
Boots	220	14	50	21	17	26	—	"
Boots	240	5½	77	—	—	—	—	"
EMI	110	22	—	25	1	28	—	123p
EMI	120	13	12	18	—	22	—	"
EMI	130	5	20	[illegible]	4	[illegible]	—	"
EMI	140	1½	20	4	8	[illegible]	—	"
Imperial Gp	90	15	16	17	—	19	—	104p
Imperial Gp	100	8	188	10	35	11	38	"
RTZ	280	60	11	66	6	—	—	313p
RTZ	300	41	17	54	16	62	—	"
RTZ	330	26	17	43	15	48	—	"
Totals			461		75		39	

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p	+ or –	Div. Amount	Times Covered	Gross Yield	P/E Ratio
66	F.P.	20/3	161	66	Caledonian Hldgs.	161	+5	[illegible]	[illegible]	6.8	13.7
**	F.P.	16/3	152	118	Hunting Assoc. Defd.	152	—	—	—	—	—
**	F.P.	—	41	38	M. Y. Dart Defd.	41	—	—	—	—	—
95¶5	F.P.	—	117	97	Sedgwick F.New10p	116	–1	[illegible]	2.1	6.4	10.8

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price	+ or –
£	F.P.	23/2	85p	83p	Chepstow Race's 6% Cnv. Uns. Ln. 1988	85p	......
**	£10	—	13	12	Lee Valley Water 8% Red. Pref. 1986	13	—
98	£10	—	11½	9½	Mid-Southern Water 8% Red. Pref. 1984	11½	+½
**	—	9/3	101p	98p	Shaw Carpets 10% 2nd Cum. Pref. £1	101p	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price p	+ or –
fl280	Nil	—	—	23pm	Algemene Bank Nederland	28pm	—
125	F.P.	9/2	23/3	171	Baker Perkins	156	—
C$21½	Nil	—	—	15pm	Bank of Nova Scotia	15pm	–1
115	Nil	—	—	35pm	Brammer (H.)	38pm	—
60	F.P.	[illegible]	[illegible]	88	Buroo Dean	86	—
88	Nil	—	—	27pm	Cement-Roadstone	28pm	+1
220	F.P.	14/2	6/4	298	Haslemere Estates	296	+8
60	F.P.	22/2	4/5	90	Hawkins & Tipson	90	—
33	Nil	—	—	9pm	Hirst & Mallinson	9pm	—
185	Nil	—	—	40pm	Johnson Matthey	35pm	—
67	F.P.	7/3	20/4	105	Macpherson (D.)	105	+5
58	F.P.	28/2	23/3	60	Montfort	60	—
226	F.P.	6/2	16/3	233	Rank Org.	233	—
59	Nil	—	—	24pm	Redman Heenan	20pm	+1
27	Nil	14/3	26/4	10pm	Sekers Intl.	10pm	—
315	F.P.	12/3	2/4	286	Taylor Woodrow	386	+18

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

APPOINTMENTS

Europe-UK posts at Alcan

Mr. F. M. St. L. Bircher, managing director of Alcan Ekco, has been nominated vice-president of ALUMINIUM ALCAN DE FRANCE with chief executive responsibilities for the extrusion division. He will be based at that company's head office in Paris. The new managing director of Alcan Ekco is Mr. P. B. Holland, financial director of Alcan Finished Products Division based in Banbury. Alcan Ecko is jointly owned by Alcan Aluminium (UK) and Ekco Products Incorporated of Illinois.

★

Mr. Ernest W. Tyerman has become joint deputy chairman of CRODA INTERNATIONAL. Mr. Tyerman, chief executive since 1973, remains in charge of domestic and overseas operations. Mr. Donald C. Jackson, who became sole deputy chairman in 1973, continues responsible for the group financial affairs.

★

Mr. C. A. Kelly and Mr. M. J. G. Henderson have been appointed managing directors of LEAD INDUSTRIES GROUP.

★

Mr. Jack Akerman, a director of Philips Industries and former managing director of Mullard, has been appointed chairman of the ELECTRICAL AND ELECTRONIC MANUFACTURERS' TRAINING AND EDUCATION BOARD.

★

Mr. J. W. Naylor, group managing director of Bridon, has been appointed chairman of BRIDON FIBRES AND PLASTICS in succession to Mr. Douglas Smith, who remains on the Board in a non-executive capacity.

★

Mr. Maurice Corina is to become director of information to the NATIONAL ENTERPRISE BOARD next month, replacing Mr. Ray Tuite, who has been acting as temporary public relations consultant since the resignation of Mr. Michael Cudlipp last year. For the past 12 years Mr. Corina has been industrial editor of The Times.

★

Mr. Philip Norman has taken up the appointment of chief executive of the JOHN BROWN MACHINE TOOL division. He has also been appointed group managing director of Wickman and will, in addition, be responsible for the direction of Webster and Bennett. Mr. Norman was previously group operations director of Constructors John Brown.

★

Mr. Ian Fraser, finance director of the Low and Bonar Group, has been appointed to the Board of BONAR AND BEMIS, the Canadian packaging subsidiary. Mr. Mark McClelland has become general manager and director and Mr. Pat Robb, finance controller and director, of Craiks of Forfar, one of the group's textile division subsidiaries.

★

Mr. J. F. G. Emms, chief general manager and director of COMMERCIAL UNION ASSURANCE COMPANY, has been appointed a vice-chairman from the annual meeting on April 17, 1979.

★

Mr. E. R. Nixon, chairman of IBM United Kingdom, has been appointed chairman of the council of the MANCHESTER BUSINESS SCHOOL in place of Lord Robens. Mr. Nixon was previously chairman of the school's finance and general purposes committee and has been a member of the council since 1974.

Mr. E. J. Newman has joined NSS NEWSAGENTS as retail marketing controller. He will be based at the head office in Woking and become a director of the main trading subsidiary, NSS Newsagents Retail.

★

Mr. B. D. Bullimore, a director of SCHRODER LEASING, has been appointed managing director from March 31. He succeeds Mr. Norman J. Donkin, who is leaving on May 31, to become managing director of the UK leasing subsidiary of Lease Plan Nederland NV.

★

Mr. N. O. E. Lakin has been appointed to the board of TAYLOR WOODROW CONSTRUCTION. He joined the company in 1955.

★

FERRYMASTERS has made the following board appointments: Mr. J. Van Schijndel, managing, Mr. R. S. Green, deputy managing, Dr. M. T. Monaghan, marketing and administration, director, and Mr. D. Munt, operations. Mr. G. B. Whitehead relinquishes the position of joint managing director, but remains a director and takes overall responsibility for Ferrymasters in his new position as director, international services, P and O European Transport Services.

★

Mr. M. F. Atkinson, sales manager, Wallboards Division and Mr. J. D. Thomas, sales manager, Ceilings Division, have been appointed to the board of ALVIN MORRIS. Mr. K. Holmes has resigned from the board and has become consultant to the company. Mr. T. M. Robinson has resigned from the board having taken up new responsibilities within the group. The company is a member of the Hickson and Welch (Holdings) group.

★

Mr. T. W. G. Ashdown has become joint managing director of COPE SPORTSWEAR. Mr. Sydney Cope continues as chairman and Mr. G. M. Cope remains joint managing director. Mr. Ashdown has been with the company having been a shareholder and a non-executive director for many years.

★

Mr. J. L. C. Pratt, chairman and chief executive of Redfearn National Glass, has been appointed a director of CROSSFRIARS TRUST.

★

Mr. Derek A. Wheeler has been appointed a director of DIXOR.

★

Mr. T. M. Wheeler and Mr. A. J. Smith have been appointed to the Board of NORMAND ELECTRICAL HOLDINGS.

★

Mr. David Jenkinson has been appointed managing director of SPEAR AND JACKSON (INDUSTRIAL). He joined the company in 1971, was made a director in 1973, and became general manager last year.

★

Mr. Jack A. Kempton, senior vice-president and general manager for Great Britain, has been elected to the Board of the IMPERIAL LIFE ASSURANCE COMPANY OF CANADA.

★

Mr. Kenneth Johns, managing director of Actair International, has been elected president of the South Wales branch of the ENGINEERING EMPLOYERS' ASSOCIATION. The Association represents 400 engineering companies in South Wales.

★

Professor David Smith, of King's College Hospital Dental School, is to succeed Mr. Robert Vigars as leader of the opposition on the Labour-controlled INNER LONDON EDUCATION AUTHORITY. Mr. Vigars has been nominated as the next chairman of the Greater London Council.

★

Mr. George Mellis, managing director of G. and P. Merchants, Aberdeen, has been elected chairman of the Board of SPAR FOOD HOLDINGS in succession to Mr. David Linnell, managing director of Linfood Holdings, who has retired from the Spar Board due to the pressure of his other commitments. Mr. Mellis is president of the Scottish Wholesale Grocers Association.

★

The Energy Secretary has re-appointed Mr. Kenneth James Griffin as a part-time member of the NATIONAL COAL BOARD for three years. Mr. Griffin, who has a long-standing interest in trade union matters, is deputy chairman of British Shipbuilders. He has been a part-time member of the NCB since March 1, 1976.

★

Mr. Tony Atkinson has been promoted to technical director at ALLEN-BRADLEY ELECTRONICS, Jarrow, Tyne and Wear. Before joining Allen-Bradley he was engineering manager of thick film products at Welwyn Electric.

★

Mr. R. W. Williams will retire as chairman of WILLIAMS DE BROE HILL CHAPLIN AND CO., stockbrokers, on April 6, and will be succeeded by Mr. Peter Pettman. Mr. Williams will remain a member of the company. Mr. Ronald F. Littleboy is to become a member of the company from April 7.

★

Mr. George C. Evanoff is the new president of the international division, and chairman of the executive committee at MAX FACTOR. He will be responsible for all operations outside the U.S. including Orlane SA.

FINANCIAL TIMES STOCK INDICES

—	March 12	March 9	March 8	March 7	March 6	March 5	A year ago
Government Secs.	72.83	73.00	73.10	71.60	71.15	71.57	[illegible]
Fixed Interest	72.79	73.03	73.09	72.01	71.67	72.35	[illegible]
Industrial	519.3	515.4	500.3	495.9	485.2	484.6	[illegible]
Gold Mines	170.4	163.9	161.7	160.0	159.0	161.2	[illegible]
Gold Mines(Ex-$ pm)	119.9	115.4	115.0	114.0	113.4	113.9	[illegible]
Ord. Div. Yield	5.40	5.44	5.61	5.66	5.79	5.79	[illegible]
Earnings, Y'ld % (full)	14.01	14.10	14.54	14.69	15.12	15.13	[illegible]
P/E Ratio (net) (*)	9.29	9.23	8.95	8.86	8.57	8.57	[illegible]
Dealings marked	8,950	7,303	7,300	6,729	6,483	6,734	[illegible]
Equity turnover £m.	—	214.18	150.00	156.22	97.33	135.59	[illegible]
Equity bargains total	—	32,271	23,715	27,872	21,542	20,787	[illegible]

10 am 517.4. 11 am 515.0. Noon 516.6. 1 pm 517.1.
2 pm 517.2. 3 pm 518.3.
Latest Index 01-246 8026.
*Nil=9.01.

Basis 100 Govt. Secs. 15/10/26. Fixed int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (5/1/78)	64.64 (8/2/78)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	65.77 (12/2/78)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	124.1 (29/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.3 (18/4/78)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	March 12	March 9
—Daily		
Gilt Edged	126.4	[illegible]
Industrials	360.7	[illegible]
Speculative	44.2	[illegible]
Totals	203.7	[illegible]
5-d'y Av'r'ge		
Gilt Edged	139.4	[illegible]
Industrials	278.3	[illegible]
Speculative	43.9	[illegible]
Totals	167.2	[illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	14	1,118	+ 2	1,120	[illegible]
ICI	£1	13	405	+ 1	421	[illegible]
Shell Transport	25p	12	700	+ 2	702	[illegible]
Barclays Bank	£1	11	430	− 2	438	[illegible]
Beecham	25p	11	702	− 6	726	[illegible]
GEC	25p	11	383	− 2	385	[illegible]
Status Discount	10p	11	82xc	+11½	84	[illegible]
Lonrho	25p	10	76	+ 8	78	[illegible]
Midland Bank	£1	10	400xd	+ 2	410	[illegible]
Allied Breweries	25p	9	94	− 1	95	[illegible]
Brammer (H.) 'New'	Nil/pd.	9	38pm	—	41pm	[illegible]
Brit. Home Sts.	25p	9	222	+ 9	228	[illegible]
Marks & Spencer	25p	9	104	+ 1	104	[illegible]
Grand Met.	50p	8	145	+ 2	145	[illegible]
GUS A	25p	8	380	+12	380	[illegible]

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (421)

FOREIGN BONDS (1)
CANADIANS (1)
BANKS (9)
BEERS (15)
BUILDINGS (26)
CHEMICALS (8)
DRAPERY & STORES (40)
ELECTRICALS (18)
ENGINEERING (32)
FOODS (11)
HOTELS (4)
INDUSTRIALS (86)
INSURANCE (4)
LEISURE (6)
MOTORS (8)
NEWSPAPERS (5)
PAPER & PRINTING (8)
PROPERTY (37)
SHIPPING (1)
SHOES (7)
TEXTILES (6)
TOBACCOS (3)
TRUSTS (55)
OILS (9)
OVERSEAS TRADERS (1)
RUBBERS (1)
TEAS (1)
MINES (9)

NEW LOWS (3)

FOODS (1)
Watson & Philip
INDUSTRIALS (2)
Borg-Warner Hoover A

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	327	41	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	11	2	18
Totals	1,295	280	921

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., March 12, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Fri., Mar. 9 Index No.	Thur., Mar. 8 Index No.	Wed., Mar. 7 Index No.	Tues., Mar. 6 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	260.59	+1.2	15.54	5.14	8.74	257.60	249.40	246.38	242.87	[illegible]
2	Building Materials (28)	238.05	+2.0	16.18	5.51	8.48	233.47	224.80	219.78	216.83	[illegible]
3	Contracting, Construction (28)	393.84	+1.8	19.41	5.18	7.24	386.89	373.36	367.98	359.52	[illegible]
4	Electricals (14)	620.39	+0.1	12.44	3.85	11.03	620.04	596.05	595.39	587.42	[illegible]
5	Engineering Contractors (12)	399.06	+1.5	16.88	5.67	8.01	393.26	383.28	377.79	371.87	[illegible]
6	Mechanical Engineering (74)	198.68	+1.8	16.70	5.61	7.97	195.15	190.82	188.25	186.15	[illegible]
8	Metals and Metal Forming (16)	175.97	+0.5	15.79	8.33	8.50	175.16	169.92	166.93	164.92	[illegible]
11	CONSUMER GOODS (DURABLE) (53)	233.77	+0.6	15.36	4.63	8.68	232.38	227.65	223.84	220.94	[illegible]
12	Lt. Electronics, Radio, TV (16)	311.02	+0.2	12.49	3.39	11.23	310.35	303.10	296.75	292.81	[illegible]
13	Household Goods (12)	164.13	−0.2	18.08	6.67	7.64	164.49	161.81	160.06	159.21	[illegible]
14	Motors and Distributors (25)	125.98	+1.6	20.63	6.72	6.06	124.04	122.17	121.03	119.35	[illegible]
21	CONSUMER GOODS (NON-DURABLE) (170)	246.06	+1.2	14.21	5.30	9.26	243.18	235.18	231.14	225.49	[illegible]
22	Breweries (14)	262.98	+0.8	14.52	5.72	8.74	260.93	254.43	245.78	238.84	[illegible]
23	Wines and Spirits (6)	350.66	+0.6	13.25	4.25	11.09	348.45	337.71	326.72	319.41	[illegible]
24	Entertainment, Catering (17)	322.45	+1.3	13.66	5.87	9.67	318.34	309.86	307.78	301.18	[illegible]
25	Food Manufacturing (19)	225.15	+0.7	16.69	4.93	7.98	223.67	219.40	216.45	211.27	[illegible]
26	Food Retailing (15)	286.70	+2.1	11.26	4.11	12.08	280.77	270.78	265.65	258.01	[illegible]
32	Newspapers, Publishing (12)	428.03	+1.3	19.16	5.77	7.40	422.36	414.57	406.80	401.43	[illegible]
33	Packaging and Paper (15)	150.73	+1.6	16.79	6.99	7.77	148.41	146.68	145.76	143.91	[illegible]
34	Stores (40)	234.91	+1.6	10.42	4.09	13.74	231.26	222.43	218.94	211.31	[illegible]
35	Textiles (23)	185.37	+1.1	17.46	8.21	7.41	183.35	180.09	178.11	178.11	[illegible]
36	Tobaccos (3)	294.86	+1.0	19.32	6.98	5.95	292.02	272.44	267.30	263.18	[illegible]
37	Toys and Games (6)	91.36	+0.7	24.29	7.11	4.85	90.76	91.61	93.58	93.23	[illegible]
41	OTHER GROUPS (99)	220.61	+0.9	13.88	5.73	9.30	218.61	214.11	210.79	207.18	[illegible]
42	Chemicals (18)	312.26	+0.4	14.18	6.28	9.13	311.07	305.32	303.09	297.78	[illegible]
43	Pharmaceutical Products (7)	273.96	+0.2	10.14	4.25	11.94	273.40	266.47	262.17	256.27	[illegible]
44	Office Equipment (6)	150.37	+1.1	13.44	5.41	9.37	148.68	143.19	138.90	135.59	[illegible]
45	Shipping (10)	431.18	+0.8	14.03	7.05	9.04	427.93	425.94	419.99	413.57	[illegible]
46	Miscellaneous (58)	241.03	+1.9	15.96	5.95	8.34	236.60	232.19	227.46	224.44	[illegible]
49	INDUSTRIAL GROUP (494)	250.29	+1.1	14.55	5.31	9.09	247.61	240.52	236.79	232.21	[illegible]
51	Oils (6)	625.48	+0.2	11.17	3.37	9.74	623.96	605.12	593.12	585.08	[illegible]
59	500 SHARE INDEX	281.07	+0.9	13.99	4.99	9.19	278.44	270.39	266.01	261.12	[illegible]
61	FINANCIAL GROUP (115)	198.40	+0.8	—	5.07	—	196.90	192.11	189.51	187.21	[illegible]
62	Banks (6)	231.90	−1.4	28.65	5.20	4.57	235.10	230.15	227.78	226.20	[illegible]
63	Discount Houses (10)	245.66	+0.5	—	7.52	—	244.53	243.78	240.12	234.93	[illegible]
64	Hire Purchase (5)	181.97	−0.2	17.72	4.84	7.25	182.33	181.21	178.54	173.59	[illegible]
65	Insurance (Life) (10)	154.76	+3.6	—	6.07	—	149.35	144.21	141.14	138.56	[illegible]
66	Insurance (Composite) (7)	144.33	+2.1	—	6.43	—	141.33	135.96	133.83	131.08	[illegible]
67	Insurance Brokers (10)	343.87	+1.3	14.47	5.59	9.90	339.30	324.77	320.41	316.72	[illegible]
68	Merchant Banks (14)	89.60	+1.2	—	5.59	—	88.50	85.77	84.54	84.29	[illegible]
69	Property (43)	333.87	+0.5	3.21	2.44	49.98	332.21	328.95	326.00	323.21	[illegible]
70	Miscellaneous (10)	125.23	+1.7	18.04	6.32	6.90	123.13	122.55	119.09	118.39	[illegible]
71	Investment Trusts (111)	235.01	+2.1	—	4.66	—	230.06	224.81	219.30	217.36	[illegible]
81	Mining Finance (4)	131.83	+2.0	14.26	5.40	8.64	129.29	124.78	123.24	122.32	[illegible]
91	Overseas Traders (20)	363.20	+1.4	13.76	6.94	9.23	358.04	352.94	351.56	344.72	[illegible]
99	ALL-SHARE INDEX (750)	258.84	+1.0	—	5.04	—	256.23	249.11	245.21	241.15	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Mon., Mar. 12	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	106.34	+0.05	—	1.87
2	5-15 years	118.75	−0.23	—	1.39
3	Over 15 years	123.68	−0.18	—	2.24
4	Irredeemables	135.14	−0.45	—	1.73
5	All stocks	115.49	−0.11	—	1.91

	FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.		Mon., Mar. 12	Fri., Mar. 9	Year ago (approx.)
1	Low Coupons	5 years	9.89	[illegible]	[illegible]
2		15 years	10.50	[illegible]	[illegible]
3		25 years	10.57	[illegible]	[illegible]
4	Medium Coupons	5 years	11.24	[illegible]	[illegible]
5		15 years	11.89	[illegible]	[illegible]
6		25 years	12.04	[illegible]	[illegible]
7	High Coupons	5 years	11.58	[illegible]	[illegible]
8		15 years	12.35	[illegible]	[illegible]
9		25 years	12.50	[illegible]	[illegible]
10	Irredeemables		10.91	[illegible]	[illegible]

		Mon., March 12 Index No.	Mon., March 12 Yield %	Fri. Mar. 9	Thurs. Mar. 8	Wed. Mar. 7	Tues. Mar. 6	Mon. Mar. 5	Fri. Mar. 2	Thurs. Mar. 1	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	54.65	12.56	54.63	54.57	54.21	53.86	53.84	53.61	53.46	[illegible]
16	Investment Trust Prefs. (15)	50.39	13.94	50.16	50.16	49.89	49.89	49.89	49.80	49.80	[illegible]
17	Coml. and Indl. Prefs. (20)	70.77	12.19	70.76	70.66	69.93	69.80	69.78	68.69	68.68	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

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INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Jardine Estn. Tst. ... HK$313.99 ... 2.40
Jardine J'pn.Fd.* ... HK$397.14 ... 0.90
Jardine S.E.A. ... $US17.37 ... 1.90
Jardine Flem Int. ... $HK12.03 ... —
Intl.Pac.Secs.(Inc.) ... HK$13.34 ... —
Do. (Accum.) ... HK$13.53 ... —
NAV Feb. 15. *Equivalent $US85 17.
Next sub. day February 28.

T.M.T. Ltd. Mar. 8 ... £10.93 11.21 +0.43 2.97

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd | $US16.71 | +0.15 | —

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015
Wren Commod. Tst. ... 103.0 103.9 ... —

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ϕ. ¶ Guernsey gross. ♠ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1978-79 High	Low	Stock	Price £	+ or —	Yield Int.	Red.
97	94⅝	Treasury 3pc '79	97xd	-⅛	3.09	9.08
97⅞	95⅛	Electric 4¼pc '74-79	97¼xd	......	4.37	9.59
104⁵⁄₁₆	98⅛	Treasury 10½pc '79	99⅞	......	10.51	10.62

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

71½	57	Do. 7¼pcADeb. '89-92	65½	.....	11.46	13.10
71½	53½	Do. 7¼pcA Db. '91-94	62½xd	.....	11.60	12.90
84½	64½	Do. 9pc 'A' '91-94	74½xd	.....	12.08	12.88
81¼	62½	Do. 8¾pcLn. '92-97	70	+½	12.89	13.30

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly.	22	.....	—	—
41	33	Do. 5pc Pref.	40	.....	—	—
98	98	Chilean Mixed	98	.....	—	13.10

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 42⅞% (based on US$2.0407 per £)

Conversion factor 0.7007 (0.7114)

CANADIANS

S.E. List Premium 42⅞% (based on $2.4090 per £)

BANKS AND HIRE PURCHASE

83½	58	F. C. Finance	70	+5	†2.05	2.6	4.3	13.4
8¼	1¾	First Nat. 10p	7¾	-¼	—	—	—	0.5
3	½	Do. Wrrts. 75-83	2¾	+¼	—	—	—	—
16	9½	Fraser Ans. 10p	16	+1	—	—	—	—
222	157	Gerrard Natnl.	222	+2	g9.12	—	6.1	—
62	37	Gibbs (A.)	61	.....	2.23	—	5.5	—
255	195	Gillett Bros. £1	243xd	+5	16.95	—	10.4	—
29	19	Goode D't Mry.5p	26xd	-½	0.25	—	1.4	—
142	96	Grindlays	129xd	+1	3.07	7.5	3.6	4.0
130	93	Guinness Peat	106	.....	H5.67	—	8.0	—
217	155	Hambros	213	+8	†9.76	—	6.8	—
100	78	Hill Samuel	95	-1	†4.97	—	7.8	—
600	40	Do. Warrants	77	-25	—	—	—	—

BANKS & HP—Continued

Hire Purchase, etc.

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FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

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INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

MINES—Continued

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Investment Trusts

Finance, Land, etc.

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
$15¾	$10¼	Buffels R1	$12⅛	+⅜	Q190c	ф	18.0
$11¾	830c	East Drie R1	$10⅜	+½	Q115c	ф	12.8
585c	330c	East Rand Prp. R1	420c	−5	Q10c	—	—
$28⅜	$16½	F.S. Geduld 50c	$22⅛	+⅛	Q315c	2.4	16.4
$15⅛	975c	Pres. Brand 50c	$14⅜	+⅞	Q150c	3.2	12.0
$14⅝	900c	St. Helena R1	$14⅜	+¼	Q190c	1.4	15.2
575c	313c	Stilfontein 50c	575c	+20	Q66c	2.3	13.2
$23⅞	$16¼	Vaal Reefs 50c	$23¾	+1	Q280c	ф	13.6
$37	$25	West Drie R1	$31¾	+1¼	†Q385c	1.7	14.0
$31¼	$19	West Hldgs. 50c	$26¾	+½	Q415c	1.4	17.9
$13	895c	Western Deep R2	$11⅝	+⅝	Q147½c	2.4	14.6

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 40

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

IRISH

OPTIONS

3-month Call Rates

Industrials

Property

Oils

Mines

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Tuesday March 13 1979

WORLD BANK STEPS IN TO AID MOBUTU'S ECONOMY

Zaire wins £75m lifeline

BY MARK WEBSTER

ZAIRE is on the point of concluding a $150m (£75m) standby loan and an urgently needed stabilisation package with the International Monetary Fund. Western bankers are confident that, despite the Draconian conditions attached to the loan, *President Mobutu Sese Seko* will be forced to accept them because of the parlous state of his country's economy.

The stabilisation package and belt-tightening measures insisted on by the IMF include agreed budgetary and balance of payments deficit targets, devaluation, and the passing of all foreign currency transactions through the central bank. But Zaire will get guaranteed delivery of essential imports such as food and spare parts until the economy shows signs of recovery.

The standby loan is the second put together by the IMF since the second invasion of the Shaba province by rebels last July. The credit has strict conditions attached so that it can be used only to pay for essential imports. More important will be the stabilisation plan, which bankers and diplomats hope will have the psychological effect of *reassuring existing investors* and encouraging new ones.

Provided there are no major upheavals, the agreement should be signed within the next four weeks. It is then hoped that Zaire's creditors—governments, international institutions and commercial banks—will meet to discuss Zaire's $2bn to $3bn of external debts.

Both the Paris Club of government creditors and the London Club of commercial bank debtors will be asked to re-schedule all the debt, or at least the matured part, which already amounts to around $1bn.

Zaire has assured the banks that it will stay up to date with interest and penalty payments on the loans. Bankers say there is $46m in the special account which Zaire opened with the Bank for International Settlement in Basle for paying commercial bank debt. However, $20m was taken from the account to pay for essential imports late last year when the foreign exchange crisis in the country was near its worst.

The Kinshasa Government has made considerable reforms within the central bank, which is being guided by a five-man IMF team led by Herr Erwin Blumenthal. Mr. Ismail Batuk, a Turk, is about to take up his post as adviser to the Finance Ministry after a long delay, and the customs and excise department will soon be aided by a Belgian team which is also ready to take up its appointment.

The intention is that the expatriate group will do its best to stop the corruption which, according to diplomats, still exists on a large scale.

Once the stabilisation plan is in place it is hoped that the World Bank will co-ordinate a medium-term economic recovery plan which will do something to repair the country's devastated communications network. In the interior, roads are often unpassable and internal commerce has all but broken down. One of the World Bank's first priorities will be to pump money into the mines, which have been badly neglected.

The departure of hundreds of expatriate workers after the invasion of Shaba caused fears that production from the mines would be seriously affected. Copper production this year is expected to be around 350,000 tonnes (1978, 380,000) and cobalt production only 10,000 tonnes (1978, 11,000).

Retail sales recover sharply

By Peter Riddell, Economics Correspondent

RETAIL SALES recovered sharply last month, going back up to the level of the second half of last year. This followed the setback in January when trade was depressed by the effects of the bad weather and the lorry drivers' strike.

The Department of Trade announced yesterday that the volume index for retail sales in February was 1¾ per cent up on the previous month at 111.5 (1971=100, seasonally adjusted). This compares with an average of 111.2 in the second half of last year.

The recovery seems to have been greater than retailers were expecting and was interpreted as an encouraging indicator of the underlying level of trade for the first half of this year.

A fall in food sales from the high level of January was more than offset by a recovery in sales of non-food shops.

In January, the volume of food sales rose by 2.7 per cent, with signs of hoarding during the lorry drivers' strike, while spending in non-food shops fell by 7½ per cent then.

A recovery in spending in non-food shops in February is suggested, for instance, by the increases in the month reported

RETAIL SALES

		Volume index (1971=100, seasonally adjusted)	Value—percentage change compared with year earlier, not adjusted
1977	1st	103.3	+14
	2nd	102.4	+13
	3rd	104.2	+15
	4th	104.7	+13
1978	1st	106.4	+13
	2nd	107.9	+15
	3rd	110.7	+14
	4th	111.7	+14
	Nov.	110.5	+13
	Dec.	113.8	+14
1979	Jan.	109.6	+13
	Feb.*	111.5	+12

* provisional
Source: Department of Trade

by the department stores in the John Lewis Partnership—whose sales were around 14 per cent up in value compared with a year before.

This contrasts with the 12 per cent rise in the value of all retail sales in February above the level of 12 months earlier estimated by the Department.

Mr. Richard Weir, director of the Retail Consortium, which represents a wide range of store groups, said yesterday that he expected trade to be reasonably good in the first half of the year. But he does not expect consumer confidence to be sustained for the whole of 1979. Nevertheless the volume of sales should be higher overall this year than in 1978 though the percentage rise is unlikely to be as large as last year's 5.4 per cent increase.

Confidence later this year may be affected by any increases in indirect taxes in the Budget, by a possible squeeze on living standards resulting from an increase in the annual rate of retail price inflation back into double figures, and by a possible rise in unemployment.

Much will depend on the balance between the temporary boost to disposable income from current pay settlements and any increase in savings as a result of concern about higher inflation, as has happened in recent years.

THE LEX COLUMN

The supersnake's first wriggle

Te news that equity turnover hit a massive £214.2m last Friday emphasises the scale of the recent institutional attempts to run down liquidity. With no Government Broker to provide, through tap stocks, an easy way out of cash and into paper the full impact of demand is being seen in the secondary markets for gilts and equities.

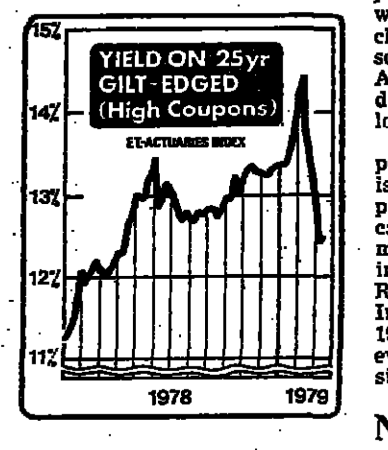
EMS

Today's inauguration of the European Monetary System formally ushers in the new era in the foreign exchange markets although in practice the EEC currencies have already been trading against each other within narrow limits for some months. Sterling, too, has moved in line with the UK Government's commitment to avoid serious fluctuation against all other currencies (not just those of the EEC) although with an appreciation of 2.7 per cent by the trade-weighted index in the past six weeks it is now testing the definition of stability.

Stability in exchange rates, however, can sometimes only be achieved at the cost of instability elsewhere. In pegging exchange rates governments relinquish the power to pursue independent monetary policies, and this has a powerful message for the bond markets. The Danish domestic bond market in January and the British gilt-edged market more recently have been invaded by foreign investors sensing interest rate anomalies. Bond fund managers in countries like the U.S. and Japan are relieved at the chance to cut down on currency risk analysis which has been such a chore in dealing in the European bond markets.

How much currency risk has actually been eliminated is, however, something that will have to be assessed on the basis of actual experience. There could still be scope for a lot of speculative fun on the exchanges as governments drag their feet in adapting to realities, which the reserves backing the system will allow them to do. The British Government, for instance, is unwilling for political reasons to adopt the obvious solution of dropping outward exchange controls to offset the rise in sterling which is being generated by the favourable *impact of rising oil prices*. But it looks as though there will have to be a fundamental review of exchange rate policies after the Budget, which at the very least will mean putting domestic interest rates in an international context. An incoming Conservative adminstration will at least consider the exchange control option.

Index rose 3.9 to 519.3



Meanwhile not everybody finds sterling's recent strength convincing, to judge by the strong rumours that GEC is planning a £50m foray into the Eurosterling bond market. This would on current rates cost around 12½ per cent, and would amount to an expensive way of financing overseas expansion unless a resumed depreciation of sterling over the life of the loan were built into the calculations.

Rolls-Royce Motors

Rolls-Royce Motors has done everything possible to strengthen its balance sheet—a property revaluation, the conversion of a loan stock (encouraged by a 20 per cent dividend increase) and a change in accountancy policy for deferred tax. So whereas at the end of 1977 it was showing net worth of £32.9m, a year later the figure is up to £57.1m.

These operations are particularly timely as the group's capital investment programme is requiring heavy borrowing. There was £11m of new borrowing last year, when capital expenditure almost doubled to £16m: this year, capital spending will be pushing £20m, and the outlook for profits is not very exciting.

Rolls-Royce is looking for solid growth from its car division and the aerospace side is going ahead strongly. But the cancellation of the Chieftain tank order in Iran and weak overseas demand for generators are seriously weakening the diesel engine business, which made £4.5m at trading level last year. For diesels in 1979 it is a question of avoiding a loss. For the group as a whole, interest charges will be higher, and 1978 pre-tax profits of £14.6m, up from £11.0m in 1977, may be hard to repeat.

In *1980 or thereabouts* the replacement for the Silver Shadow will be introduced, and the changeover will probably mean some dip in profits from cars. A strong contribution from the diesel side to offset this now looks rather unlikely.

At 100½p the shares yield 8 per cent and the fully-taxed p/e is 8.3, which represents a slight premium rating. The ambitious capital investment programme meant that 1979 was always going to be a stretching year for Rolls-Royce—now the setback in Iran makes the road into the 1980s uncomfortably bumpy even for that famous suspension.

Norcros bid

Norcros has won a big and worthwhile victory in its hotly opposed offer for Johnson-Richards Tiles. Its £33.6m bid represents little more than net asset value, and under eight times earnings. As a result, its own net worth will rise by nearly a third to £63.5m, and although the cash element of the deal will swallow most of its liquid resources, its financial gearing will still not be high.

Earnings dilution should be negligible. And although the commercial arguments for the bid are not clear cut the status of Norcros can only be improved by the purchase of a business like this. Johnson-Richards has a steady record, a sound balance sheet, and a major share of the tile market.

So although Norcros is increasing its outstanding equity by two-fifths, its share price should not be vulnerable. At 89p, the prospective yield is 8½ per cent, and the post bid p/e is under 6 on the basis of forecast tax charges.

That leaves the question of why the Office of Fair Trading, contrary to some expectations has decided not to refer the Norcros bid nor Johnson-Richards' abortive link with Armitage Shanks to the Monopolies Commission. The OFT has clearly not accepted Johnson-Richards' claim that Norcros was going to wreck its business. And the parallels between the proposed Armitage deal and last year's bid from Hepworth Ceramic (which was referred) were probably not as close as first appeared. Hepworth was a very much bigger company than Armitage, it has a monopoly position in a number of different products, and it also has vertical links with Johnson-Richards and some of its competitors.

Alginate in talks with U.S. processor

By Christine Moir and John Wyles

FMC CORPORATION, the third largest seaweed processor in the U.S., is holding bid talks with Alginate Industries, which dominates the UK market.

This is the second approach Alginate has received from a top U.S. supplier. Last month a £21m bid from Merck Incorporated, which was accepted by 98 per cent of the shareholders, lapsed after it was referred to the Monopolies Commission.

The news that the Government had found grounds for investigating the proposed takeover by Merck caused Alginate's shares to drop by 75p to 300p. Yesterday they rose again to 310p prior to the announcement from FMC.

The Stock Exchange is carrying out an initial investigation into the equally sharp share movements in Alginate just before the bid announcement from Merck.

Alginate extracts a family of chemicals, called alginates, from seaweed collected round the coasts of the North Sea. The alginates are extensively used *as thickeners for foods and in a* wide range of industrial processes such as paints and textile printing.

The company controls 80 per cent of the UK market and exports nearly four fifths of its production. Last year sales increased by £1.2m to £16.7m, but pre-tax profits dropped to £2.78m (£2.98m) and have continued to fall again in the first half of this year.

FMC became an important presence in the food additives market with the completion in November 1977 of a $28m (£14m) purchase of Marine Colloids. As a result FMC became the largest U.S. producer of Carrageehan, a hydrocolloid in the same family as alginates.

In the last year FMC has made no secret of its ambitions for further expansion in food additives, where its domestic rivals in seaweed extracts are Merck and Stauffer Chemical.

Its own products from food and agricultural machinery and chemicals to the manufacture of rail cars and petroleum equipment. Last year FMC's net income rose 17 per cent to $140.9m on sales of $2.95bn.

EMS inflation warning

BY MARGARET VAN HATTEM IN PARIS

ON THE EVE of the start of the new European Monetary System, the EEC Commission yesterday warned Community heads of government meeting here that the system cannot work unless national inflation rates are brought closer into line.

"A closer convergence of Community inflation rates is absolutely indispensable to the success of the EMS," it told the European Council.

Meanwhile, central bankers in Basle were fixing the parities of the eight currencies taking part in the system—Britain is abstaining—after the Council announced that the system would come into effect formally from the start of trading today.

The system has been devised to stabilise Community currencies, *but the Commission* stressed that central bank intervention alone cannot do this. The start of the EMS puts much greater pressure on member states to work for economic union, it said, noting that Community inflation rates ranged from 3 per cent in West Germany to 12.5 per cent in Italy. Current wage negotiations in several member states would be crucial in determining progress over the next year.

The Commission said that real EEC economic growth over the past year, at 2.8 per cent, was higher than expected, and that, if the recent signs of industrial recovery strengthened, growth in 1979 would rise to 3.4 per cent. Even this, however, would do little to reduce unemployment, now at 6m or 5.5 per cent of the *workforce.*

It called on the heads of Government to give priority to integrated social, fiscal, industrial and employment policies to overcome the problems arising from widespread unemployment.

Noting the Community's overall balance of payments surplus—$13.5m in 1978 and $13.1m expected this year—the Commission said that West Germany, which accounted for $8.1m of this, did not seem able to reduce its surplus. This could only increase pressure on the West German Government to allow the Deutsche-Mark a much wider role as a reserve currency, despite determined efforts in Bonn to resist this.

No Irish move against sterling Page 2
Money Markets Page 37

Pound continues to gain strength

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING MADE further headway against most other major currencies in foreign exchange markets yesterday.

The trade-weighted index, measured against a basket of other currencies, rose at one stage to 65.1, its highest level for more than a year, before it *slipped back to close 0.1 up at* 65.0.

Dealers detected some limited smoothing action by the Bank of England in the morning to check the rise. While most of the demand in the last six weeks has been reflected in a rise in the rate—up 2.7 per cent—there were indications that an inflow of overseas money in the last few days had helped to ease a possible shortage of funds in the money market yesterday.

A feature yesterday, as in the *last few weeks, was the strength* of sterling against previously strong currencies. The pound has risen by 4 per cent against the Japanese yen since early February, by 2.2 per cent against the French franc and by 1½ per cent against the Deutschemark. There has also been a 2.9 per cent rise against the Italian lira to an all-time high rate.

In the same period sterling has risen by just over 2 per cent against the dollar to $2.0410 last night, a gain of 25 points *on the day.*

This pattern partly reflects the relative impact on various countries of the rise in oil prices and, by contrast, the less-exposed position of the UK in view of North Sea oil.

Norcros wins takeover battle

BY ANDREW TAYLOR

THE BITTER battle for control of R. and R. Johnson-Richards Tiles ended yesterday with the ceramic tile group firmly within the grasp of Norcros, the engineering, construction and packaging concern which owns Hygena furniture.

Johnson-Richards' own plans to merge with Armitage Shanks, the bathroom fittings group, were shattered when Norcros announced that its offer valuing Johnson-Richards at £33.6m had gone unconditional. Johnson-Richards shareholders controlling a 54.4 per cent stake had accepted the Norcrass terms.

Earlier yesterday Mr. Roy Hattersley, Secretary of State for Prices and Consumer protection had given the greenlight to both the Norcross bid and the merger proposal after deciding to refer neither for a Monopolies Commission investigation.

A spokesman for Hill Samuel, merchant advisors to Norcros, said last night that that the group was delighted at the outcome of its bid which had met fierce opposition from the Johnson-Richards directors.

Johnson-Richards preference shareholders controlling a 57.6 per cent stake also accepted the Norcros terms. *Both offers are to remain* open until further notice.

Johnson-Richards directors were last night meeting to discuss their next move. Mr. Alec Done, the group's chairman, who had said that an acquisition by Norcros would "gravely" damage the ceramic tile group, was unavailable for comment.

Plans to merge the two cerns emerged only after Norcros announced its intention for Johnson-Richards at the beginning of this year.

Following yesterday's moves Johnson-Richards' share price rose 19p to 149p while the Norcros price fell 3p to 89p and Armitage Shanks dropped *3p to 77p.*

U.S. may toughen air policy

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.S. may be planning to take a much tougher attitude towards European governments over increased air services, cheaper air fares and increased competition with U.S. airlines.

A confidential memorandum on U.S. air policy, written by Mr. Michael Levine, a senior official of the U.S. Civil Aeronautics Board, is exceptionally caustic about the alleged protectionist attitudes of various European government, and stresses that the U.S. ought not to be restrained in its approaches to or dealings with those governments.

The memorandum for Mr. Levine, who is director of pricing and domestic aviation at the CAB, is advisory but his influence with the CAB Board is considerable. Much of his thinking seems likely to become accepted practice at the CAB.

For that reason, his memorandum, which has been widely leaked in Europe and the U.S., has not only caused considerable embarrassment and annoyance to the CAB, but also much anger in Europe.

One immediate result could be a hardening of European attitudes towards U.S. aviation policies.

In Britain's case, as already reported, the U.S. is prepared to scrap the existing Anglo-American Bermuda Two air agreement, which governs air services, if the U.S. can get no further concessions from the UK under the pact.

Mr. Levine *says in his memorandum that this summer* "will be the first market test of a meaningful level of new competition on the North Atlantic, and we believe that if it succeeds the summer experience alone may provide the necessary economic incentives for recalcitrant countries to become less protectionist.

"We do not object to negotiations with European countries if conditions are promising, but at the same time we do not feel impelled to reach unsatisfactory written agreements just for the sake of concluding agreements.

Mr. Levine adds that the U.S. "is more concerned with market results than with written agreements, and is not particularly anxiously to achieve a written agreement with Holland or Italy until the time is correct, and our leverage allows us to secure their acquiescence in a liberal agreement.

"We believe that additional pressure can be placed upon Italy and France through whatever increased competition may be negotiated with Greece, Spain, Portugal and possibly Yugoslavia.

"It seems clear that France intends to protect its gateway and will continue to "play" to some extent (such as their immediate plans to introduce a high-density 747 with a low-price section between Paris and New York) but that further market pressure is required to get France to permit the emergence of a competitive market environment.

"Our view is that it is not advantageous to sign additional restrictive agreements in the wake of our successes with Holland, Belgium and Germany.

"There may be an occasional need for diplomatically polite negotiations that are *predicated* upon observing international 'manners' rather than based upon meaningful hopes for a progressive agreement."

UK reaction has been calm. The Trade Department has not yet seen a full copy of the memorandum, but its view is that the UK's attitudes are already well known in Washington.

Continued from Page 1

Carter to see Sadat

ready for peaec enough to take a chance."

In another passage, he said that although President Sadat and Mr. Begin were committed to a solution, "we have not yet fully met the challenge."

At the same time, Mr. Carter assured his audience that the U.S. will "always recognise, appreciate and honour the mutual advantages of the strength and security of Israel."

He promised that Israel would not lack for either oil or military support.

But if he neded any indication of the deep divisions over rapprochement with an Arab country in Israeli society, it was amply provided when Mr. Begin and Mr. Shimon Peres, leader of the opposition, addressed the Knesset.

Both were constantly heckled from both the left and right wings.

Continued from Page 1

Abu Dhabi gas find

be producing up to 600m cu ft a day in the early 1980s.

If the new deep gas discovery in Abu Dhabi is shown to extend over the same geographical area as the Umm Shaif oil reservoir lying above it, there it could prove massive.

Several other Gulf states, such as Kuwait, are also drilling in the search for new gas fields.

Abu Dhabi is expected to start its second deep offshore well this year, drilling below the Zakum field, the country's other major offshore oil field. Another deep well will be drilled onshore this year below the Bab oil field.

Abu Dhabi is unlikely to move quickly to develop its *major new gas find.* Several billion dollars is already being spent on projects to develop existing oil fields in order to exploit the associated gas produced along with the oil. Much of this gas has been wastefully flared in the past.

About 850m cu ft a day of associated gas is being flared in Abu Dhabi from onshore fields alone.

هكذا من الأصل

Weather

UK TODAY

WINTRY showers in most areas.

London, S. England, Channel Isles

Early rain in places, otherwise mainly dry. Max. 9C (48F).

E. England

Sunny intervals, wintry showers mainly near coasts.

Midlands, Cent. N. England

Mainly dry, bright periods.

Wales, N.W. England

Sunny intervals, wintry showers. Max. 7C (45F).

Isle of Man, S.W. Scotland, Ulster

Sunny intervals, wintry showers. Max. 5C (41F).

N.E. England, Borders, E. Scotland

Sleet or snow showers. Max. 5C (41F).

Rest of Scotland

Sleet or snow showers, drifting mainly on hills. Wind N.W., locally gale. Max. 4C (39F).

Outlook: Wintry showers, sunny intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	15	59	Locarno	S	11	52
Amsdm.	S	8	46	London	C	10	50
Athens	S	15	59	Luxmbg.	S	9	48
Bahrain	C	20	68	Luxor	S	25	77
Barcina.	S	17	63	Madrid	S	17	63
Beirut	S	17	63	Majorca	S	16	61
Belfast	C	6	43	Malaga	S	17	63
Belgrd.	C	15	59	Malta	F	16	61
Berlin	R	8	46	Mchstr.	F	8	46
Biarritz	C	14	57	Melbne.	C	29	84
Bmghm.	S	9	48	Mex. C.	S	20	68
Blackp'l	F	7	45	Milan	C	8	46
Bordx.	R	12	54	M'ntreal	C	—5	23
Bou'gn.	F	8	46	Moscow	Sn	1	34
Bristol	C	8	46	Munich	R	9	48
Brussels	F	9	48	Nairobi	S	23	74
Budpst.	C	7	45	Naples	F	15	59
B. Aires	S	22	72	Nwcstl.	F	7	45
Cairo	S	22	72	N. York	S	—1	30
Cardiff	F	9	48	Nice	S	16	61
Cape T.	S	24	75	Nicosia	C	15	59
Cas'b'ca	S	17	63	Oporto	S	15	59
Chicago	S	0	32	Oslo	Sn	0	32
Cologne	C	8	46	Paris	C	11	52
Cpnhgn.	F	4	39	Perth	C	29	84
Corfu	F	16	61	Prague	C	5	41
Dublin	F	8	46	Reykjvk.	S	—4	25
Dbrvnk.	C	11	52	Rhodes	C	15	59
Ednbgn.	F	9	48	Rio J'o	C	30	86
Faro	S	19	66	Rome	R	14	57
Florence	C	14	57	Salzb'rg	R	7	45
Frankf't	C	11	52	Singapr.	S	28	83
Funchal	C	15	59	Stckhm.	C	1	34
Genova	*C*	*13*	*55*	*Strasb'g*	*C*	*13*	*55*
Gibrltr.	Fg	16	61	Sydney	R	25	77
Glasgow	R	7	45	Tehran	S	15	60
G'rnsey	C	9	48	Tel Aviv	S	18	64
Helsinki	C	1	34	Tenerife	F	13	55
H. Kong	C	25	77	Tokyo	C	7	45
Innsbr'k	C	9	48	Toronto	C	—4	24
Invrnss.	F	7	45	Tunis	S	20	68
I.o.Man	F	8	46	Valencia	S	19	66
Istanbul	F	12	54	Venice	C	8	46
Jersey	C	9	48	Vienna	R	7	45
Jo'burg	S	24	75	Warsaw	R	0	32
L. Plms.	F	18	64	Zurich	R	9	48
Lisbon	S	16	61				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow.

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